# FINANCIAL TIMES

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**Volcker: could he by Reagan's scapegoat? Page 16**

## NEWS SUMMARY

### GENERAL

## German court delays census

The West German constitutional court issued an injunction postponing a controversial national census set to begin on April 27. It is unlikely to take place this year. Page 3

### Walesa questioned

Polish police freed Solidarity leader Lech Walesa after questioning him for five hours yesterday about his meeting with the underground activists in the banned union.

### Irish protests

About 100,000 workers throughout the Irish Republic took part in protests ot increases in income tax and social insurance contributions. Page 3

### Kohl leaves for U.S.

West German Chancellor Helmut Kohl leaves today for talks with U.S. President Reagan which will centre on Nato defence policy in Europe and Washington's plans to restrict trade with Comecon. Page 2

### Flood deaths

Twelve people died in floods in Northern France and the West German cities of Bonn, Cologne, and Koblenz were awash as troops, firemen and volunteers fought the overflowing Rhine.

### Broadcast vote

The UK parliament voted to allow select committees to be televised. The BBC already broadcasts parliamentary proceedings on radio.

### Karachi riots

Police fired teargas to quell fresh rioting in Karachi, Pakistan's biggest city.

### Gulf talks delayed

Eight Gulf states threatened by a giant oil slick delayed talks on how to cap shattered Iranian wells after Iran accused Iraq of another attack on its oilfields.

### Swiss complaints

Switzerland will raise increased French customs surveillance and growing protectionist barriers when French President François Mitterrand begins his state visit there today.

### Greenland vote

Greenland's two main political parties, Siumut and Atassut, won 12 seats each in the election to the country's home rule parliament, the Landsting. Page 3

### Vietnam withdrawal

Vietnam and its neighbouring allies Laos and Kampuchea announced that a partial withdrawal of Vietnamese troops from Kampuchea would take place next month.

### City limits

Nigerian capital of Lagos remains the world's most expensive city with an index of 144 against New York's 100. Tokyo was second and Cairo third, a survey reported.

### Cocaine charges

An Italian and three Colombians appeared in o Madrid court charged with smuggling Bolivian cocaine with a street value of $2.2m.

### Briefly...

Extraordinary Arab summit due in Morocco next weekend was postponed.

Saudi diplomat and driver were injured in bomb blast in Athens.

Zimbabwe banned tour by reggae singer Jimmy Cliff because he visited South Africa.

At least 50 killed and 1,500 injured by cyclone in West Bengal.

### BUSINESS

## Optimism boosts Wall St. to record

Wall Street's continued optimism over the direction of interest rates and the U.S. economic recovery pushed the Dow Jones Industrial average to a record high of 1156.64 yesterday. This was the index's fifth consecutive rise and an improvement of 11.22 points on the previons day. Page 33.

● STERLING fell ½ cent to $1.5365 but rose to DM 3.75 (DM 3.7375), SwFr 3.1575 (SwFr 3.1475) and FFr 11.2225 (FFr 11.195). It was unchanged at Y366.5. Its trade-weighted index rose to 82.8 (82). In New York, sterling closed at $1.5382. Page 40 The Bank of England gave a cautious signal for a cut in British base lending rates. Page 16

● DOLLAR rose to DM 2.438 (DM 2.4235), SwFr 2.053 (SwFr 2.04), FFr 7.3075 (FFr 7.264) and Y238.3 (Y237.85). Its Bank of England trade-weighted index rose to 122.4 (122.1). In New York, the dollar closed DM 2.4410; FFr 7.3075; SwFr 2.0530 and Y2.3815. Page 40

● GOLD fell $2.75 to $429.5 on the London bullion market. In Frankfurt it fell by $3.50 to $429.5 and in Zurich by $4 to $429.5. In New York, the Comex April settlement was $432.50 ($431.9). Page 37

● LONDON: FT Industrial Ordinary index fell 4.7 to 436.41. Government securities were unchanged. Page 33. FT Share Information Service, Pages 38, 39

● TOKYO: Nikkei Dow index rose 11.81 to 8,490.44 and the Stock Exchange index was up 1.30 to 613.35. Pages 33, 36

● AUSTRALIA: The All Ordinaries index gained 8.1 to 561.9, a 1982–83 high, on hopes over the Canberra economic summit. Pages 33, 36

● MEXICO registered o trade surplus of $2.35bn in the first two months of 1983 compared with a deficit of $385m in the same period last year. Page 5

● PAKISTAN is seeking $1.35bn external assistance from the World Bank-chaired western consortium for the first year of the sixth five-year plan which starts on July 1. Page 4

● DENMARK is to permit foreign investors to buy Danish government bonds again from May 1. Page 32

● JAPAN has agreed to limit the level of activity of its shipyards to bring capacity into line with demand.

● JAPAN AIR LINES said it would pass its dividend for the year to March 31 and pay no wage increases in the coming year. Page 16

● HONG KONG and Kowloon Wharf and Godown Company, the Hong Kong property group, reported a 15 per cent rise in net profits of HK$382m ($57m) last year. Page 18

● NIXDORF Computer, the West German data processing company, reported an 18 per cent increase in sales revenues and a near doubling of its profits for the year to December 1982. Page 17

● WESTINGHOUSE ELECTRIC, the U.S. electrical equipment manufacturer, reported a further dip io net profits for the first quarter of this year. Page 17

● GENERAL MOTORS announced that 16,000 indefinitely laid-off workers should be called back to work soon as a result of increases in its production schedules. Page 16

● REUTERS announced after-tax profits of £33.39m ($21.7m) in 1982 from £13.99m. Page 6

● BOLIDEN, the Swedish metals and chemicals group, has bought the smelting and refining operatioo of Refinement International of the U.S. for an undisclosed sum and is to form a oew wholly owned company, Boliden Metech.

# Brazil's creditors to meet as liquidity shortage worsens

BY PETER MONTAGNON IN LONDON

**A major meeting of Brazil's international bank creditors has been called for next Monday in London to look at ways of helping the country combat a continuing serious shortage of foreign exchange liquidity.**

News of the meeting has prompted speculation in the Euromarkets that the multi-billion dollar debt rescue package negotiated earlier this year by Brazil may have to be revised to allow the country more access to badly needed foreign exchange.

The meeting has been arranged by the four leading banks in the rescue package – Bankers Trust, Chase Manhattan, Citibank and Morgan Guaranty – and will be attended by 12 national liaison banks, including Lloyds and Midland from the UK, as well as represeotatives from the Brazilian central bank.

Despite o radical improvement in its foreign trade account, which was in record surplus of $514m in March, Brazil is still living from hand to mouth in foreign payments and bankers report an accumulation of arrears on trade and other payments. Last week its central bank Governor, Sr Carlos Langoni, said the country needed to boost its available short-term liquidity by obout $3bn.

Yesterday, leading bankers and Brazilian officials denied there was currently any intention of altering the rescue package, but there is general admission that it is not working as smoothly as expected in two key areas:

● There has been renewed slippage in the provision of short-term interbank lines to Brazilian banks.

As part of the rescue package these were to be held at a minimum of $7.5bn, though they now stand at about $6.6bn. Part of the fall is accounted for by the withdrawal on March 10 of the safety oet arranged by leading New York money centre banks.

● Brazilian officials have also complained that full utilisation of the $10.3bn in short-term trade credits commited under the package has proved difficult. This part of the package was heavily oversubscribed and some more cynical international bankers now say creditors chose to be generous with trade credit commitments in the knowledge that declining trade levels made it less likely that the credit would actually be used. Both Brazil's exports and its imports fell in the first quarter compared with the same period of 1982.

Brazil, with total foreign debt of $84bn, has already completed the other two parts of the package, which involve new loans of $4.4bn and a rescheduling of $4.6bn in debt maturing this year.

The official purpose of Monday's meeting is to review the present situation in the hope of making the interbank and trade credit elements work better.

Some bankers say this could lead to a request by Brazil to transform part of these two elements into fresh medium-term loans, possibly to the country's oil monopoly Petrobras. Brazil is, however, clearly very wary of openly asking for new money less than two mooths after it signed its recent loan.

Brazil-U.S. credit deal; Mexican trade surplus, Page 4

# Montedison may close principal nylon plants

BY CARLA RAPOPORT IN LONDON

MONTEDISON, the leading Italian chemical company, is expected to announce the closure of its principal nylon plants in Northern Italy next week, with the loss of up to 3,000 jobs.

The company refused to comment yesterday, but said a statement would be made on Monday. It is understood, however, that Montefibre, the fibres subsidiary of Montedison, intends to close its nylon plants in Pallanze and Ivrea in the Piedmont area of Italy.

These operations, with o capacity of 23,000 tonnes of nylon a year, have been making substantial losses. Their closure would effectively end Montefibre's involvement in the nylon business.

Montefibre has apparently been in talks with community leaders in the Piedmont area on schemes which could keep part of the operations running. If these talks are successful, it is believed that the company's nylon output would still be drastically reduced.

The synthetic fibres industry remains heavily depressed throughout Europe, with capacity outstripping productioo by around 35 per cent. In Italy alone, total capacity is around 850,000 tonnes, against production of around 425,000 tonnes last year.

Last autumn, the leading synthetic fibre producers agreed to cut capacity from 2.9m tonnes to 2.4m tonnes by 1985. The Italians then admitted that they needed to cut their capacity by 150,000 tonnes. Almost half that amount has been shut down, before the Montefibre move.

Montefibre also produces polyester, acrylic fibres and polypropylene, a versatile plastic largely used for injection mouldings for industry. Last month, Montedisoo expanded its fibres division by acquiring Monsanto's European acrylic fibres division, which has plants in Northern Ireland and West Germany.

Montedison moved from government to private ownership in 1981, but has been unable to return its operations to profit. It is estimated that the company lost between L400bn and L460bn ($323.5m) last year, against a record L598bn loss in 1981.

The Italians have been slower to cut capacity in the synthetic fibres and chemical industry than other European countries.

# Sotheby's warned on 'emotional' response

BY CHARLES BATCHELOR IN LONDON

SOTHEBY'S, the London-based fine-art auctioneers, has been cautioned by Britian's takeover panel for its "emotional" response to the £61m ($94m) bid by General Felt Industries/Knoll International, a private U.S. company owned by two New York businessmen.

Details of the bid by Mr Stephen Swid and Mr Marshall Cogan are being sent to Sotheby's shareholders today. They have said they will offer 520p per share in cash for the 86 per cent of Sotheby's they do not already own. Sotheby's shares fell 10p yesterday to the offer level of 520p.

Mr John Hignett, director general of the takeover panel, approached Sotheby's advisers, the merchant bank S. G. Warburg, about remarks made by the company's chief executive, Mr Graham Llewellyn, in response to the bid.

Mr Llewellyn is reported to have threatened to "blow his brains out" if the bid from Mr Swid and Mr Cogan were to succeed.

"I had a word with their advisers," said Mr Hignett. "I think he made a very emotional statement on the first day. Quite often people say things they don't exactly mean. During a takeover bid it is extremely important for people to say precisely what they mean."

Morgan Grenfell, adviser to GFI, said it was concerned about statements from Mr Llewellyn that "there was no price at which the offer would be acceptable," and that "he would blow his brains out" if the bid went through.

The Office of Fair Trading (OFT) said yesterday it would be looking at the bid because more than £15m worth of assets were involved. The OFT becomes automatically involved in bids of this size and then makes a recommendation to the Trade Secretary, who may take or ignore its advice. His decision is usually announced just before the first closing day of the offer.

Between 35 and 45 cent of Sotheby's shares, opart from the 14 per cent holding already owned by Mr Swid and Mr Cogan, are now believed to be owned by U.S. speculators. "These shares are in the hands of people who do not care about Sotheby's," Mr Swid said. "They will sell to the highest hidder."

# Chicago elects black mayor in close vote

By Richard Lambert in New York

MR HAROLD WASHINGTON, a 60-year old Democratic Congressman, has been elected as Chicago's first black mayor after a bitterly fought and racially divisive election campaign. He claimed victory by a narrow margio early yesterday morning after a record turnout of about 82 per cent of Chicago's 1.6m registered voters in Tuesday's poll.

Democrats have controlled Chicago's city hall for more than 50 years, but their hold began to look increasingly frail after Mr Washington won o surprise victory in February's democratic primary defeating the incumbent Mrs Jane Byrne. Thanks to the support of an estimated 97 per cent of black voters, and 19 per cent of whites, he eventually claimed victory yesterday.

Black political leaders, who have been considering the possibility of fielding a candidate in the Democratic presidential primaries next year, said Mr Washingtoo's victory had major implications for the nation as a whole.

Chicago election mood, Page 5; Editorial comment, Page 14

# Arafat willing to talk on U.S. plan

By Our Foreign Staff

MR YASSIR ARAFAT, leader of the Palestine Liberation Organisation (PLO), yesterday said he was willing to resume talks with King Hussein of Jordan on President Ronald Reagan's stalled Middle East peace plan.

Speaking in Stockholm after meeting Mr Olof Palme, the Swedish Prime Minister, and other Nordic social democrats, he said the PLO leadership was likely to hold o meeting, perhaps today, to discuss their next move.

Last Sunday King Hussein announced the apparent failure of joint efforts with the PLO to agree a common approach on negotiations with Israel. He said he could not negotiate on behalf of the Palestinians.

Mr Arafat told a press conference yesterday: "We will do our best to continue these joint talks with the Jordanian authorities." He added that an envoy was in Amman continuing talks.

An Arab League summit doe to take place in Morocco this weekend – ot which strategy over the Reagan plan was likely to have been discussed – was yesterday postponed until the beginning of May.

In Washington, the White House yesterday denied reports from the Middle East that President Reagan planned to launch a new peace initiative. It repeated that Mr Reagan's September plan remained on the table and that he was determined to pursue it.

Officials said Washington did not intend to permit radicals in the PLO to derail the Middle East peace process, U.S. perseverance would prevail over radicalism, they said.

In Jerusalem Mr Philip Habib, President Reagan's special Middle East envoy, met Mr Menahem Begin, the Prime Minister, and the Israeli foreign and defence ministers.

The talks centred on terms for an Israeli withdrawal from Lebanon. It is thought Presideot Reagan is placing supreme importance on this issue following King Hussein's refusal to enter peace talks with Israel under a Palestinian mandate.

In London, Mr Francis Pym, the UK Foreign Secretary – fresh back from talks with King Hussein and King Fahd of Saudi Arabia – told the House of Commons that Britain continued to pin its hopes to President Reagan's peace initiative.

Habib hopes for Israeli withdrawal, Page 4

# Saudi budget deficit after oil price fall

BY KEVIN MUEHRING IN JEDDAH

SAUDI ARABIA, the world's largest oil exporter, will have a budget deficit of 35bn Saudi riyals ($10.14bn) in the coming year because of the fall io oil prices and production.

The deficit is the first the country has budgeted for since the oil price surge which began a decade ago, although deficits were incurred by the end of the fiscal years 1977–78 and 1978–79. The expected gap this year is likely to be funded through a drawdown on the kingdom's assets held abroad which are estimated to amount to at least $140bn.

Unveiling details of the budget yesterday, the Ministry of Finance and National Economy said government spending in fiscal year 1983-84, beginning today, was projected at SR 260bo, a 17 per cent cut in spending from the level of SR 313bn outlined in the budget a year ago.

The Ministry pointed out, however, that actual spending in the past year finished well short of planned levels, so that this year's spending will, in fact, amount to a 7 per cent increase.

Revenues for 1983-84 are forecast at SR 225bn, less than last year's SR 243bn because of the recent fall in oil prices. The Organisation of Petroleum Exporting Countries agreed last month to cut prices by $5, putting the benchmark Saudi crude price at $29 a barrel.

The Ministry said yesterday that Saudi oil production reached an average of 5.6m barrels a day over the year. The preceding year's production is estimated to have averaged about 9.1m b/d.

The announcement of the budget, made by King Fahd on nationwide television and radio yesterday, was preceded by marathon sessions in recent months ot the Finance Ministry, in which other ministers were called on to justify their proposed spending requirements.

The budget cuts appeared to be across the board, with none of the 11 budget sectors escaping the Ministry's scalpel. Among the chief cuts was 40 per cent to SR 13.2bn from SR 22bn in the funds earmarked for economic resource developmeot, which includes the Ministries of Agriculture, Industry and Electricity, Petroleum and Minerals.

Even the spending budgeted for defence was reduced, by 18.5 per cent, to SR 75.7bn from a record SR 92.9bn in fiscal 1982-83.

Government financial institutional lending, a key source of direct government support, will be cut by 14.5 per ceot to SR 20bo from SR 23.4bn.

# Paris may lift VTR curbs at Poitiers

BY DAVID HOUSEGO IN PARIS

PROSPECTS brightened last night that France will lift its controversial import restrictions oo video tape recorders.

Progress was reported in negotiations between France and Japan ot o meeting here of the oew French Minister for External Trade, Mme Edith Cresson and the Japanese ambassador, Mr Hiroshi Uchida.

Since last October France has required that all imported VTRs be processed through the small customs post of Poitiers in central France.

Japanese officials indicated that negotiations were making good progress and that France could lift its restrictions soon. But the Foreign Trade Ministry in Paris sought to dampen rising speculation of an imminent end to the "battle of Poitiers" by saying that no decision had been taken and that no date had been fixed for the lifting of the restrictions.

EEC officials reported earlier this year that France would lift the import curbs following joint Japanese – EEC agreemeot oo voluntary limits by Japan on sales to Europe of VTRs, colour TV tubes, numerically cootrolled machine tools and other products. The official French position has been that a decision must depend on the Japanese demonstrating that the agreement would be adequately policed.

In fact, the external Trade Ministry is known to have advised before the municipal elections in March that the import curbs should be lifted, but this was turned down by the Government.

A strong lobby in the Socialist Party and among the Communists favours protectionist policies to limit the trade deficit.



CONTENTS

Leslie Colitt reports from Berlin on the devastation threatened by acid rain

# Race against the clock to save Europe's forests

EASTERN and Western European countries are awakening to the dangers to their forests, farms, buildings and to the health of their citizens from severe air and water pollution.

The rise of powerful environment groups in Western Europe and growing warnings from scientists in Eastern Europe have jolted officials to take their first joint steps to reduce the level of pollution before it is too late.

In only 10 years, 8 per cent of West Germany's forests—some 550,000 hectares—have been afflicted by sulphur dioxide fallout—"acid rain"—from power stations and heavy industry.

Acid rain is created when sulphur dioxide and nitrogen oxides, reacting with moisture and oxygen in the air, produce sulphuric and nitric acids which fall to the ground in rain and snow.

Much of the damage is not yet visible to the untrained eye but forestry experts say yellowing pine needles which are starting to curl will soon drop off leaving naked branches and rotted wood, if the pollution level is not quickly reduced. Afflicted trees also become easy prey for insects. The damage has already gone too far, however, to allow a recovery for great stretches of woodland.

The worst affected areas are in Eastern and North-eastern Bavaria, across the border from the brown coal-burning power stations and industry of Western Bohemia. But to the West, in Baden-Württemberg, forestry officials report 10 per cent of their woods are diseased from sulphur dioxide carried with the prevailing winds hundreds of miles from tall smokestacks.

Two thirds of West Germany's fir trees are diseased. In the famed Black Forest, the spruce which makes up half of Germany's forest land is dying. Spruce trees are the biggest money earner for West Germany's half a million owners of woodland who stand to lose DM 350m (£96m) annually with each 10 per cent drop in lumber production.

Thirty years ago in the industrial Ruhr, dying spruce trees were replaced with more resistant deciduous trees. They, too, are now contaminated by avid rain which has caused the bark of the oak tree to split and the wood to rot slowly from within.

On the East German side of the once heavily wooded Ore mountains, thousands of hectares of pines have been stripped bare by sulphur dioxide discharged from power plants and factories burning brown coal in Sokolov and Cheb on the Czechoslovak side of the border. The denuding of the forests has altered the supply of water and has polluted streams while eating at the facades of buildings and rusting vehicles.

From the highest of the Ore mountains, the Klinovec, visitors survey one of the most resolate former forests in Europe. More than 100,000 hectares of Bohemian woodland between Karlovy Vary and the East German border have died since the early 1970s.

Grass no longer grows between the trees, only the lowly sorrel. Kitchen gardens fail to produce vegetables and rye and the well water is undrinkable. As quickly as the trees became diseased, the wood was exported to West Germany as chipboard. Now even the newly-planted supposedly resistant blue spruce fails to survive.

**Trees have been dying because of air pollution for years in East and West Europe, but only now are countries taking steps to avert the threat to their landscapes and their economies by trying to curb the industrial waste floating across their borders**

Faced with the widening destruction of their timber resources and recreation land, East Germany and Czechoslovakia signed an agreement to lower the level of sulphur dioxide emissions from Czechoslovak factories and power stations.

Czechoslovakia has also agreed to begin talks with West Germany to reduce the ecological damage on both sides of the border. The Czechs also say they will work to eliminate evil-smelling industrial odours which waft across into West Germany.

Negotiations have also begun between East and West Germany to clean up the highly polluted Elbe River, which carries enormous deposits of industrial waste from East German industry into West Germany. East Germany and West Berlin are to begin their first environmental talks shortly to prevent further damage to the city's lakes and rivers.

However, the most difficult problem for both East Germany and Czechoslovakia will be air pollution. The two countries plan to burn a growing amount of their domestic brown coal in coming years to make up for reduced supplies of oil from the Soviet Union. Their new open-cast mines contain brown coal with a high sulphur content.

In the early 1970s East German factories emitted 37 tonnes of sulphur dioxide per square kilometre compared with 14.5 tonnes in West Germany. This imbalance will increase in coming years. The German Institute of Economic Research (DIW) in West Berlin notes that virtually no anti-pollution equipment has been installed in East German power plants or factories burning brown coal.

The worst polluters, DIW says, are the low temperature carbonisation plants south of Leipzig which produce fuel and low temperature coking coal for use in the chemical industry. It notes that several plants from the 1920s have been started up again and are major offenders.

By the mid-1980s, DIW calculates, three such plants in Espenhain, Böhlen and Deuben will produce 170,000 tonnes more sulphur dioxide annually than is emitted by the Cologne chemical industry belt, which is one of the biggest polluters in West Germany.

The West German Government last month issued a new regulation lowering the permissible level of sulphur dioxide emissions from power stations and industrial furnaces. Newly-built power stations must be equipped with gas scrubbers to lower sulphur dioxide emissions from the previous 850 mg per cubic metre of smoke to 400 mg.

Electricity plants already operating will have to meet the new standards within a certain period or be closed down. The permissible level of nitrogen oxides was lowered to 1,800 mg per cubic metre.

The "Greens" party, which first aroused concern over the environment in West Germany and the Opposition Social Democrats said the measures were wholly inadequate. They noted power stations will not have to instal scrubbers if they can prove the investment is "economically unreasonable." Older electric plants which are the worst offenders, they explained, will have another ten years of life.

The West German electric power industry says it will cost up to DM 6bn to instal new smoke scrubbers, bringing "considerable price increases" to the consumer. The first such scrubber for oil burning power stations in West Germany has been installed in West Berlin at a cost of DM 165m and annual operating costs of up to DM 30m.

Scientists say that in order to have effective pollution controls nitrogen oxides must also be removed from car exhausts by eliminating leaded petrol. West Germany want a unified European Community solution here as it fears that otherwise the German car industry alone will be burdened with higher costs.

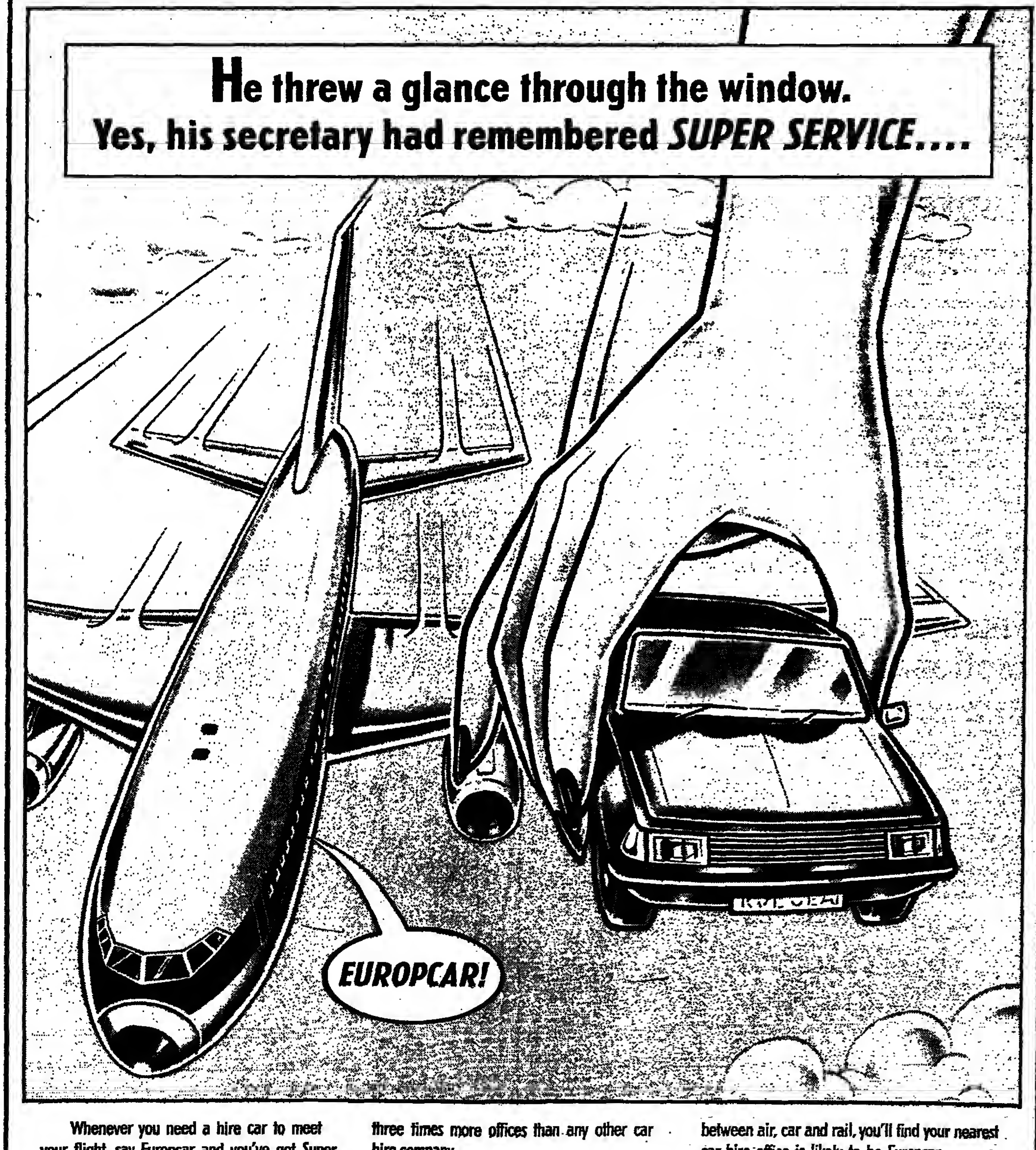
East Germany has announced a programme to rescue its "smoke endangered" forests, including intensive fertilising and planting of "smoke resistant" trees. The East Germans said they would co-operate with Poland to combat the effects of pollution along their joint border and in the Ore mountains.

Polish specialists say damage to Poland's forests is less evident than forther to the West, but that half of the nation's trees have been weakened by industrial pollution and are growing more slowly. They estimate the loss of lumber at up to 40 per cent.

German forestry officials note that forests which appeared healthy last autumn are virtually bare this spring. Herr Hans-Otto Bäumer, Minister of Agriculture and Forestry in North-Rhein-Westphalia, says that the changes in the forests in many parts of West Germany will be evident to all this summer.

"Nature's regenerative powers are at an end here," he said. "Action must now be taken or the forests will no longer be around to be saved."

Idyllic scene in Bavaria—West Germany's [illegible] area.






# Missiles top Kohl's agenda in U.S.

BY OUR BERLIN CORRESPONDENT

HERR HELMUT KHOL, the West German Chancellor, leaves today for talks in Washington with President Ronald Reagan which are expected to centre on reducing medium-range nuclear missiles in Europe as well as on diverging views about the U.S. plan to restrict trade with Comecon.

West German officials say the Chancellor will reaffirm Bonn's support for Nato's "zero option." Under this plan, new U.S. medium-range missiles will be deployed in Western Europe if there is no agreement by the end of this year at U.S.-Soviet missile reduction talks in Geneva.

But Herr Kohl is also expected to tell President Reagan that West Germans would welcome any interim solution under which the Soviet Union would scrap large numbers of its missiles targetted on Western Europe and the U.S. would not have to deploy all of the planned 572 missiles in Europe.

Concern has been aroused in West Germany over proposals by the Reagan administration for more effective restrictions on exports of advanced technology exports with military applications to the Soviet Union and its allies. The West Germans fear this topic could become a serious bone of contention at next month's summit conference of the West's leading industrial nations in Williamsburg, Virginia.

Count Otto Lambsdorff, West Germany's Economics Minister, recently cautioned the U.S. against making "exaggerated demands" on East-West trade. He said public opinion in West Germany is sensitive to any such measures that would lead to greater unemployment.

Chancellor Kohl apparently hopes to defuse any future controversy over this issue in his talks with President Reagan, Vice President George Bush, Mr George Shultz the Secretary of State and Mr Caspar Weinberger, the Defence Secretary. He will be accompanied by Herr Hans-Dietrich Genscher, Germany's Foreign Minister.

The two sides are also expected to discuss the Madrid follow-up meeting to the 1976 Helsinki conference on European security and co-operation.

This will be Herr Kohl's second meeting in Washington with Mr Reagan since the Chancellor took office last October. He is to have talks in London with Mrs Margaret Thatcher on April 21-22.

# Building industry expects recovery in W. Germany

BY JOHN DAVIES IN FRANKFURT

THE WEST GERMAN building industry expects a recovery this year but is still worried about prospects for government building work and about longer-term economic conditions.

Unemployment in the industry is expected to fall sharply in the next few months, with the normal seasonal upturn boosted by financial incentives introduced by the Government to boost home-building.

About 218,000 building workers were unemployed last month, but the industry believes jobs will be found for about 150,000 during spring.

Herr Fritz Richbauer, president of the Builders' Association, cautioned yesterday, however, that because of the short-term nature of many jobs, average employment this year would be only about 10,000 more than last year.

The association, to which more than 80 per cent of West Germany's builders belong, estimated that members will have 7.5 per cent more business in home-building this year, though only 2 per cent more in commercial building.

It is worried about government projects, which are likely to decline by 4 per cent. Members also believe that continuing high interest rates may deter physical investment and have expressed doubts about whether an economic upswing will be sustained.

The industry's other main group, the West German Building Industry Association—which includes the biggest companies—has already called on the Government to step up building projects. It has pointed out that government building investment is a lower proportion of federal and local budgets than it was four years ago.

The building industry sank ever deeper into recession during the past three years before beginning to show signs of recovery recently. The Government introduced tax concessions and liberalised rent laws to try to spur the industry into acting as a catalyst for a broader-ranging economic upturn.

Meanwhile, construction equipment manufacturers believe they can see an end to the decline in sales in West Germany and abroad. Exports are likely to stagnate at a level much below last year, but orders within West Germany are picking up, an industry representative said yesterday.

Severe price competition is continuing because of overcapacity in building equipment companies, he said.

# Polish church presses for local government reform

BY CHRISTOPHER BOBINSKI IN WARSAW

THE ROMAN Catholic Church in Poland has called for radical reform of local government to devolve power to democratically-elected local councils.

It has made its proposals in a letter from Cardinal Jozef Glemp, the Polish primate, to the commission which is working—in a desultory way—on a new local government Bill.

Progress has been slow because the authorities have taken no firm decisions about parliamentary and local government elections due next year. They fear either a widespread boycott or rejection of the candidates on a scale too great to conceal.

Even mild modifications of the electoral system, involving for example a choice between two vetted candidates, is the subject of fierce controversy inside the Communist establishment.

The Church has suggested that local government be handed over effectively to local communities, and that the power of central government to intervene in local affairs be strictly defined by law.

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# West German court orders postponement of census

BY LESLIE COLITT IN BERLIN

THE WEST GERMAN Constitutional Court has postponed a controversial national census which was set to begin on April 27, allowing time for an investigation into its legality. Its ruling means the census is unlikely to be held this year and that the DM 100m (£27m) spent to prepare it is lost.

The court in Karlsruhe voted 5—3 against holding the census at this time because, it said, the Census Act permitted regional statistical offices to pass on collected data to other officers.

Herr Ernst Benda, president of the court, said the "basic rights" of all West Germans would have been violated if the census had gone ahead and the Census Act was later found to be unconstitutional. The court needed time to decide this question.

Opponents of the census, who hailed the postponement as a considerable triumph, had threaten to boycott it and to impersonate census-takers. The left-wing Greens party, which last month won 27 seats in the West German Parliament, said it would now work to have the census — which it called a "people's pumper" — wiped off the agenda.

The Government called the ruling a defeat for the previous administration under former Chancellor Helmut Schmidt which had prepared the census. The Social Democrats, now in opposition, said they still believe a census is necessary but that a sizeable minority of West Germans had "justifiable doubts" whether personal information given to census-takers would remain aecret.

West Germany's policemen's union said it was "greatly relieved" by the court's ruling which it called a clear decision in the "name of the people" who did not want to be computerised.

The Constitutiooal Court emphasised that it was postponing, and not cancelling, the census. It expected to decide on the constitutionality of some 100 appeals from West Germans by this summer, effectively rullog out a census being held this year.

Two lawyers from Hamburg and a law student had sought the injunction, claiming that the census had aroused widespread opposition in all social strata in West Germany. They said there was fear that the Government was striving to become "all-knowing."

A representative of the Government, arguing its case, called the census more indispensable than ever. He claimed the 40.odd questions were fewer and more harmless than in any otber comparable European census. The need for a census, he said, was evident because it could not be statistically ascertained whether West Germany today has a million more or less inhabitants.

# OECD warns France against deflating economy too severely

BY DAVID HOUSEGO IN PARIS

CRITICS of the French Government's recent austerity package have been provided with further ammunition by the annual report on France of the Organisation for Economic Co-operation and Development (OECD). This supports more restrictive economic policies but warns against unduly severe deflationery measures that could provoke e recession.

The report, published today, was written before last month's devaluation of the franc and the accompanying stabilisation measures taken to curb the trade deficit. These have been designed to suck some FFr 65bn (£5.8bn) out of the economy—equivalent to about 2 per cent of GNP.

Even before these measures were taken the OECD found that the outlook "for the French economy over the next 18 months is not encouraging in terms of activity and employment." For 1983 the report forecasts a growth in real GNP of 0.5 per cent with unemployment rising by a further 150,000-200,000.

The OECD says that there might be a case for further restrictive measures to limit the trade deficit and France's external indebtedness.

But it adds, it is important "that adjustments to economic policy be quite cautious to avoid a serious recession that would inevitably have consequences not only for employment but also for the public finance deficit and investment."

OECD officials decline to estimate as yet the impact of the additional measures on economic growth and unemployment. The French view is that economic growth this year would have reached 1 per cent before the measures. This has now been revised down to zero.

**A French steel chief has warned publicly for the first time of the need to revise radically the country's steel plans which provide for a 33 per cent increase in output to 24m tonnes by 1984, writes David Housego in Paris.**

**M Raymond Levy, head of the state-owned Usinor group, said this week that his company's plan was "ill cast" and needed revising. He made his comments after reporting losses last year of nearly FFr 5bn.**

**He is anxious that current state assistance to the industry should be concentrated on new investment to hasten its modernisation rather than underwriting losses.**

The warning by tbe OECD reflects the Secretariat'a belief that growth ratea in Europe are so low that they risk becoming self-perpetuating and damaging to investment.

The report has already stirred considerable controversy. The government objected to leaked passages in the draft which suggested that France's economic problems had been made worse by a lack of confidence stemming from a "sometimes ambiguous definition of economic policy." In the normal negotiating process over the report such passages have appeared to have been toned down.

The report finds positive factors in the slowdown in French inflation and, in particular, in the attempt to end the system of wege indexation. It says that tbe budget deficit this year (now to be reduced by FFr 20bn as a result of the new measures) is tolerable and that monetary policy should prove more restrictive.

In its more detailed analysis it finds that the extensive incentives brought in by the Government in 1981 and 1982 to promote investment — through low interest loans, tax deductions and direct aids — had little impact.

Industrial investment fell in 1982 by 5 per cent in real terms after a 4 per cent decline in 1981. The downtrend was largely confined to small businesses in 1981 but spread last year to medium and large enterprises.

Overall productiva investment, however, rose by 1 per cent last year becanse of increased funds put into commerce, services and the transport sector.

French plans to create jobs through work-sharing schemes bave so far proved "limited and costly," it says. This criticism applies to both the cut in working hours without an equlvalent loss in salary (which added to industry's costs) and to the so-called "solidarity contracts." These provide incentives for companies to retire people early while taking on young people

The report also warns of the danger that the Government'a increasing demands on the capital markets could crowd out private borrowers. The share of new resources taken up by the Government rose from 12.3 per cent in 1980 to 20.6 per cent in 1981 and to around 30 per cent last year.

# Talks on N-pacts rejected

THE SOVIET Embassy in Washington yesterday rejected a U.S. bid for fresh negotiations to improve verification provisions in two unratified U.S.-Soviet treaties limiting underground nuclear tests, Reuter reports.

It said Washington had no basis to question the adequacy of verification provisions in the 1974 threshold test ban and 1976 peaceful explosions treaties before those procedures had been tried in practice.

## Greenland parties tie

By Hilary Barnes in Copenhagen

GREENLAND'S extreme left-wing nationalist party, Inuit, will bold the balance of power in the island's bome-rule parliament following Tuesday'a geoeral election. They won only two of the assembly's 26 seats, but the two main parties, Siumut and Atassut, tied with 12 each.

However, Siumut, a moderate left-wing party, is expected to continue to govern with Inuit'a support.

## Gibraltar visit

TWELVE Royal Navy ships, led by HMS Invincible and shadowed by Spanish warships, docked in Gibraltar yesterday amid mounting protests in Spain over a violation of Spanish territorial waters, writes **Tom Burns in Madrid.** The Spanish Senate unanimously approved an emergency motion that backed the Government's "energetic protests."

# Ireland disrupted by tax protests

BY BRENDAN KEENAN IN DUBLIN

THERE WAS widespread disruption in Dublin and other large centres in Ireland yesterday as thousands of workers marched in protest at increases in income tax and social insurance contributions.

However, the turnover—variously estimated at 20,000-50,000 in Dublin, with perhaps 100,000 taking part throughout the country—was disappointing by the standards of four years ago wben there were similar demonstrations. It will give some encouragement to the beleagured coalition Government of Dr Garret FitzGerald, which bas been in office for less than six months.

The demonstration caused serious dislocation to industry and transport. Schoola shut in the afternoon as teachers joined the protest. Dublin bus services were suspended and airports were closed to ootgoing fligbts.

But the campaign to halt increased payments of income tax and social insurance does not appear to be gaining ground and government officials believe yesterday's demonstration may be a one-off protest at tax rates wbich now reach a marginal 70p in the pound for many

Otherwise, there is little consolation for the coalition, which has already suffered one defection by a Labour Party member over cuts in pay-related benefits, although it still has a comfartable overall majority of 11 seats. But there is little sign of improvement on the economic front and Dr FitzGerald's own style of leadership bas come in for increasing criticism.

In particular, his Northern Ireland policy, which was a cornerslone of his seven months in office in 1982, bas been seriously damaged by the controversy over whether to prohibit ebortion in the Irisb constitution.

Dr FitzGerald's standing with Ulster Unionists, which waa high for a Dublin politician, may fall further with the proposed forum for a new Ireland, details of which will be announced today. This is now seen as a purely nationalist body, although its supporters argue that it must be judged by results.

The abortion debate has become increasingly complex, with two proposals for constitutional change before the Dail (parliameot) and the possibility that neither will be approved as the basis for a referendum.

The Prime Minister's problem is that the original proposal has been opposed by the Protestant chnrches but supported by the Roman Catholic bishops. His arguments that the Irisb constitution should be made less Catholic in tone would hold little credibility if he added another provision over the beads of the Protestant minority.

Dr FitzGerald's amended wording bas the support of the main Protestant groups but may be defeated by a combination of the opposition Fianna Fail Party and defections from some of his own backbenchers.

Meanwhile, shipyard workers in Belfast have blamed his administration for failure to place an order in the city for a coal ship for the Irish electricity service in the Belfast yard. The proposed gas pipeline from Dublin to Belfast is also threatened by argumenls over price.

# Commission to look again at oil import tax

By John Wyles in Brussels

THE EUROPEAN Commissioo is to look again at the possibility of introducing an oil import tax as one meaos of adding to the EEC's budget reveoues. The tax would also sligbtly ease the exeessive burden of the UK's payments to Brussels.

Despite tbe recent decline in oil prices, the commissiooers remain divided on the issue. Viscount Etieone Davignon, Energy Commissloner, emerged as the most formidable opponent during discussiona over the past six mooths.

As a result, tbe Commission's green paper on possible sources of new budget revenues, published in February, showed little enthusiasm for any energy tax.

But it remains one of the favoured alternatives of Mr Christopber Tugendbat, the Budget Commissioner. He believes the recent major changes in the oil market effectively dispose of Viscount Davignon's arguments that an EEC oil import tax would encourage oil producers to raise their prices.

The main benefit of the tax to Britain is that it would fall much more heavily on other member-states because they are importing virtually all tbeir oil requirements.

Studies have showed it would be relatively favourable for West Germany.

But the tax would not solve the British problem, nor would it be the main source of the extra revenues wbich the Community needs to avoid bankruptcy in the next few years.

This point was stressed by Mr Tugendhat in a speecb to the European Parliameot yesterday, in whicb be revealed his enthusiasm both for an energy tax and a tax related to agricultural production.

This latter idea was a central feature of the Commission'a green paper and is likely to be part of its formal proposals on financing when they are adopted next month.

The tax would be levied on the economies of member-states as a wbole, like the curreot VAT charges, and eacb country's liability would be assessed according to the size of its agricultural production.

The overall amount to be raised by this means would be fixed according to a target share of Community spending allocated to agriculture.

# Brussels presses financial integration

By Our Brussels Correspondent

THE EUROPEAN Commission has launched a new initiative designed to revive the EEC's long-stalled efforts to achieve greater financial integration.

At the instigation of two of its vice-presidents, M Francois-Xavier Ortoli, responsible for financial affairs, and Mr Christopher Tugendhat, who looks after the budget and taxation, the Commission is attempting to prod member governments into a greater awareness of the potential benefits.

Its communication to the Council of Ministers gives notice of a number of new Commission initiatives to move the Community further forward.

"It is amazing that free trade in goods is so much easier to achieve than freedom to provide insurance services, or that the mechanisms of co-operation among European currencies apparently do not facilitate portfolio arbitrage among the investment instruments available on the various Community markets," observes the Commission.

Among other things, the Commission says that it will be seekiog:

- Moves by member states to dismantle some exchange control measures and monetary policy measures which affect financial transfers.
- The removal of barriers to the free movement of shares issued by EEC undertakings and traded on a Community stock exchange.
- Acceptance by all member states of the European Currency Unit as a convertible currency with the same status as all major currencies.
- Adoption of the draft directive on freedom to provide non-life insurance services.
- Adoption by the end of this year of the draft directive providing for the consolidated supervisioo of banking and the intensification of efforts aiming at a common market in banking.

# OVERSEAS NEWS

## Iraq's navy 'destroys two large Iranian targets'

BAGHDAD — IRAQ claimed yesterday its navy destroyed two large Iranian naval targets off the Iraqi coast on Tuesday night.

Tehran accused Iraq of having hit another of its oil wells, and in Kuwait the start of crisis talks between eight Gulf states on handling a giant oil slick were delayed for several hours.

The official Iraqi news agency did not indicate the nature of the targets. It quoted a military spokesman as saying two Iranian naval units, which had approached the Iraqi coast last night, were set on fire and "swallowed by the Gulf waters."

The spokesman said Iran had tried to exploit ground battles in Iraq's Misan province following the latest Iranian offensive.

Iraq warned Iran on Tuesday that it would retaliata directly against Iranian shalling of Iraqi border towns.

Mr Latif Nasif al-Jassem, the Iraqi Information Minister, was quoted in an official Iraqi news agency report as saying: "Iraq's patience has been exhausted . . . it has every legitimate right to react with the appropriate means and will be fully excused if it resorts to a direct deterrent."

The warning followed an Iraqi high command communique saying Iran had shelled the Iraqi port of Basra yesterday, and came as both sides claimed successes in the latest flare-up in the 31-month-old war.

The Iranian news agency Irna, monitored in London yesterday, said six Iraqi gunboats supported by two helicopters launched a missile attack against the well. It was not clear whether another oil slick had been caused by the attack, the agency said.

Despite the delay in the Kuwait talks ministers met privately to prepare for a resumption of the formal session, which was adjourned last week after political wrangling between Iran and Iraq.

The Iranian ambassador to Kuwait, Ali Shams Ardekani, said that tha reported new Iraqi attack complicated attempts to resolve the pollution crisis.

Oil gushing from Iran's Nowruz field at the head of the Gulf has formed a slick estimated to be swelling by the equivalent of several thousand barrels a day.

Reuter

## Habib hopes for pull-out agreement within weeks

BY DAVID LENNON IN TEL AVIV

MR PHILIP HABIB, President Reagan's special Middle East envoy, is hoping to secure agreement within two weeks on the terms for an Israeli withdrawal from Lebanon.

In a meeting yesterday with Mr Menahem Begin, the Prime Minister, and the Foreign and Defence Ministers, Mr Habib urged Israeli leaders to help bridge the remaining gaps in the negotiations between Israel and Lebanon.

The key issue remains the future of Major Saad Haddad, the rebel Lebanese commander of the Israeli-backed militia in southern Lebanon. Israel insists that Maj Haddad must remain in control of southern Lebanon, while Beirut wants to reduce the role of the man once branded as a traitor.

During 19 minutes of talks yesterday Mr Habib concentrated on the Lebanese issue. According to Israeli officials, the two sides did not discuss the refusal of King Hussein of Jordan to enter peace talks with Israel on the basis of the Reagan peace initiative.

Mr Habib is said to be under orders from President Ronald Reagan to make a supreme effort to conclude the Israeli-Lebanon negotiations within a fortnight. The President apparently has placed supreme importance on reaching agreement over Lebanon in the wake of King Hussein's weekend decision.

The U.S. envoy flew to Lebanon mid-morning to join in the tri-lateral negotiations at Khalde, and was due later to meet President Amin Gemayel to impress on him the need to compromise over the Haddad issue.

## Bangladesh, Pakistan seek aid

By Mohammed Aftab in Islamabad and Alain Cass in London

PAKISTAN and Bangladesh will be asking for over $3.5bn (£2.2bn) in external aid from the consortium of Western countries which begins its meeting in Paris today.

Pakistan wants $1.35bn for 1983-84, primarily to finance part of its sixth five-year plan which begins in July. Bangladesh is asking for $2.2bn to tide it over a balance of payments gap which is expected to reach $1.65bn this year.

There is concern in Pakistan that President Ronald Reagan's U.S. Administration may suggest that at least part of the money be taken out of the $3.2bn arms-and-aid package agreed between Washington and Islamabad last year.

France and Italy have already assured Pakistan of their support. Other major donors include the Asian Development Bank, the International Development Association (IDA)—the World Bank's soft loan branch—Japan, West Germany and Canada.

Pakistan's aid will be invested in energy, transport, telecommunications, agriculture and water resources.

Persistent energy shortages in the last two winters have reduced industrial output, cut business hours, restricted the use of water pumps on farms and meant blackouts, lasting several hours a day, in private houses.

Pakistan has circulated a portfolio of 252 projects, the foreign exchange cost of which will be financed from the external assistance during 1983-84.

An estimated $146m is required to fund the special development plan for the North West Frontier Province and Baluchistan — the two western provinces located on the Afghanistan border.

Bangladesh is faced with an economic crisis following two failed harvests.

External aid on a big scale is needed urgently both for economic development and to stave off hunger. Foreign exchange reserves are up slightly on last year, and tight monetary and fiscal policies accompanied by incentives to the private sector have improved the country's economic performance.

Falling oil prices may cut foreign exchange inflows, reports **Emilia Tagaza in Manila**

## Philippines scrapes barrel for dollars

THE PHILIPPINES, one of the biggest beneficiaries of the massive development spending of Arab oil producers, now faces a new threat to its largest foreign exchange earner, remittances from Filipino expatriate workers.

As the Middle Eastern countries start reviewing their spending in the light of falling oil prices, the Philippine Government is bracing itself for a cut in the flow of remittance money, which has cushioned the impact of rising imports and debt servicing costs on the balance of payments.

The central bank estimates that last year expatriate workers —more than 80 per cent are in the Middle East—remitted about $1.6bn to their families in the Philippines. Although only half of this went through the banking system, it still surpassed the earnings of commodity and manufactured exports.

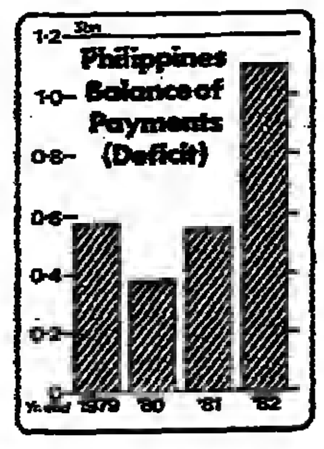
A slowdown could therefore play havoc with the Government's efforts to bridge the gaping deficit in tha current account of the balance of payments, which last year amounted to a $1.1bn, double the $560m shortfall incurred in 1981.

The monetary authorities have made a series of moves designed to raise the country's international reserves in preparation for an expected decline in dollar inflow. President Ferdinand Marcos has ordered government agencies and state corporations to cut their staff's foreign travel and limit the import of equipment and materials.

Earlier, the central bank launched a raffle scheme aimed at attracting more foreign workers to send their earnings through the banking system. At present $800m is sent through the post or arrives in the Philippines with returning expatriates and is cashed on the black market, which offers much more attractive rates than the banks.

Under the raffle scheme, relatives of overseas workers who change their dollars through local banks will receive one raffle ticket for every $100 they change. Mr Jaime Laya, the central bank governor, said that 100 people each month will win prizes of more than $10,000.

Another Government move to trap more dollars is the reduction of the legal limit on local banks' foreign exchange holdings. As the Philippine peso's value against the dollar continues to depreciate, banks




have been increasing their investments in dollar placements abroad, whose returns are greater than if they were to lend their funds to private borrowers.

The limit on banks' dollar holdings was ostensibly meant to ease the credit squeeze in the capital market as borrowers have been complaining about inadequate financing facilities and high interest rates.

However, the move is also aimed at minimising speculation on the peso's exchange rate and at keeping hard currency within the country. With the imposition of a lower limit, banks will be compelled to sell their excess dollars to the central bank.

The President of one local bank has criticised the new central bank order, saying that it takes away the "reward factor" in banking. "There are now very few creditworthy companies in the Philippines and it is more prudent for banks to invest cash in foreign placements," the banker said.

Monetary authorities have allowed the peso to depreciate against the dollar to encourage exports. During the past week, the peso's value against the dollar has floated between 9.5 and 9.6 compared with 9.2 at the beginning of the year. Its value is expected to drop by a total of 15 per cent over the whole year.

Yet another strategy to raise more dollars is the central bank's move to set up a subsidiary which would buy properties for foreign investors to lease rent-free. The Philippine constitution bars foreigners from owning land and the scheme would help aliens to skirt around this constraint.

Investors have been complaining that whenever they renew their leases with private landlords, rents are raised to outrageous levels. Foreigners would be required to pay for the leases from the central bank in foreign currency.

It is doubtful, however, whether the Government campaign to boost its dollar holdings will substantially narrow the yawning payments gap. For apart from the gloomy prospect of a slowdown in the flow of petrodollars, exports are unlikely to improve.

During the past two years, exports have been buoyed by manufactured products, particularly electronics and semiconductor devices and garments, while the traditional commodities—sugar, coconuts and copper—remained in the doldrums.

Electronics and garments manufacturers say that the continuing recessionary pressure and the protectionist mood in their major markets, mainly the U.S. and Western Europe, are likely to slow down sales. Prices of raw commodities are not expected to improve substantially, either.

Moreover, the Philippines cannot rely on interest rates in the international capital markets remaining lower. One foreign banker said that the $2bn annual average cost of foreign debt servicing alone would make the Government hard pressed to realise its forecast of cutting the current account deficit in half.

## India decides to relax licensing procedures

BY K. K. SHARMA IN NEW DELHI

FOREIGN companies and the so-called Indian "monopoly" business houses are expected to be the main beneficiaries of a boost in production which should follow a further relaxation of the Indian Government's industrialisation licensing procedures.

A Ministry of Industry notification yesterday said companies could have their industrial licenses endorsed for a 25 per cent increase in production beyond their output in fiscal 1982-83 which ended in March. "Automated growth" of another 25 per cent would also be allowed if they did not have their licences endorsed last year.

The announcement will enable the companies concerned to get permission to obtain and import machinery to make the higher production possible.

It follows relative stagnation in industrial production in 1982-1983, when output increased by just 4 per cent.

Industrialists have complained of recessionary conditions because of various constraints, notably the lack of bank credit and the fall in demand. Further incentives are expected to be announced to improve the finances and demand in selected industries, particularly those geared to exports.

Foreign companies and "monopoly" houses — defined as those with assets of more than Rs 200m (£13.4m) — are normally barred from expansion without the Government's permission, which is rarely given. However, they are expected to get the benefits of the new announcement and their applications are to be treated sympathetically, officials say.

## Japan's steelmen set for lowest rise in 27 years

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

THE JAPANESE Federation of Steel Workers Union appears to have decided to accept a pay rise offer of 3.14 per cent—the lowest in the industry's 27-year history of organised wage bargaining.

The offer reflects the extremely difficult conditions facing Japanese steel makers, and the union's recognition of the fact that many of their members would almost certainly have been laid off by now but for the Japanese system of "life-time employment."

Japanese shipbuilding workers were yesterday offered a similar increase—3.26 per cent —and appear likely to accept.

The offers made to the steel and shipbuilding industries mean the overall margin of increase in wages in big Japanese companies may work out at barely more than 5 per cent.

This, however, will still be about 2½ percentage points ahead of tha current year-to-year rise in consumer prices.

With the virtual settlement of the so-called annual spring wage offensive in Japanese industry, the focus shifts to the transport and services sector.

Private railways workers who threatened a one-day strike were yesterday offered a 4.9 per cent wage increase.

The railways network, whose workers have traditionally been the most militant section of Japanese organised labour, will be the last to settle.

Reuter adds: The official Japanese discount rate, currently 5.5 per cent, will not be cut until the yen is stronger on the foreign exchange market, the Bank of Japan Governor, Mr Haruo Maekawa, said.

## Tokyo warns Moscow on co-operation

TOKYO — Japan could not expand economic co-operation with the Soviet Union unless the two enjoyed long-term stability in political relations, Mr Shintaro Abe, the Japanese Foreign Minister, said yesterday.

During talks with Mr Mikhail Kapitsa, the Soviet Deputy Foreign Minister, Mr Abe renewed his invitation for Mr Andrei Gromyko, the Soviet Premier and Foreign Minister, to visit Japan and emphasised the importance of ministerial talks.

Mr Kapitsa declined the invitation, however, and was quoted by the Japanese Foreign Ministry as saying that the political atmosphere was "not suitable" for a visit.

Mr Kapitsa met Mr Abe after the second and final day of annual Soviet-Japan consultations.

AP

# WORLD TRADE NEWS

## Aerospace industry predicts marked upturn in demand

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE WORLD'S leading aerospace manufacturers agree that when the current recession is over there will be a major upswing in demand for new airliners, lasting until the end of this century, and generating massive business for the makers.

Airbus Industrie believes that the total market for new jet airliners between now and the end of this century is likely to amount to 6,700 aircraft, worth about $329bn. Airbus will aim for a 34 per cent share of that market, or about 2,250 aircraft.

Boeing of the U.S., the world's biggest jet airliner builder, believes that between 1983 and 1995, there will be a demand for some $167bn worth of new jets, representing 4,422 aircraft.

Mr James Worsham, president of Douglas Aircraft, the airliner building division of McDonnell Douglas of the U.S., forecasts that the world's airlines will need about 5,000 new aircraft between now and 1995, but does not put a value on that business.

All the manufacturers agree that one of the biggest single markets will be for short-range to medium-range jets (generally seating up to about 250 passengers each).

Airbus Industrie assesses this potential market at up to $253bn by the end of the century, with sales worth as much as $144bn by 1995 and $253bn by the year 2000.

Boeing sees the market being worth over $103bn, with the short-range sector alone being worth $48bn by 1995.

The manufacturers base these estimates on the fact that once the recession passes, there will be a revived demand for air transport, with an annual passenger traffic growth rate averaging up to 6 per cent a year, with probably a higher growth rate in the countries of the Third World.

Mr Worsham told the U.S. Aviation and Space Writers' Association in Washington this week that he did not think that commercial aircraft of the year 2000 would be much different from those of today, "but there will be almost as twice as many of them."





## Brazil, U.S. sign $1bn energy credit deal

BRAZIL and the U.S. have signed a trade protocol covering energy projects to be financed with $1bn worth of Eximbank credits over the next 10 years.

A memorandum of understanding was signed in Brazilia on Tuesday by Sr Cesar Cals, the Brazilian Mines and Energy Minister, and Mr Guy Fiske, a senior official of the U.S. Department of Commerce.

It is the first agreement of its type to be concluded by the U.S. Bilateral, government-level accords have long been a favoured instrument of Brazilian trade policy.

Over the past few years similar agreements with Britain and France have been used primarily as a means of attracting foreign credits and improving the country's overall debt profile.

The U.S. protocol specifies that 25 per cent of the expenditure on the projects involved will be allocated to the purchase of U.S. equipment.

All power stations—two of them hydro-electric, one thermal, and one with combined hydro and thermal power capacities —are nominated as "allocated" to U.S. enterprises. The negotiation of individual contracts is not expected before next year.

In addition, the U.S. is to help Brazil in the areas of coal specification and geological surveys.

The decision to entrust U.S. companies with the task of improving the utilisation of Brazil's high ash content coal would be a disappointment to Britain.

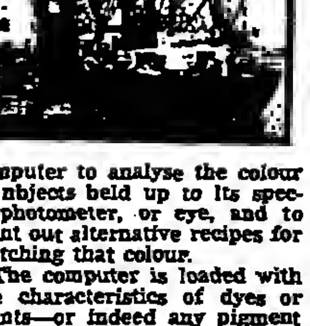
The 2,000 Mw Santa Isabel hydro-electric project is to be constructed jointly with Canada, while the Jorge Lacerda V coal-fired power station is to be built together with a Czechoslovak company.

Meanwhile, Mexico registered a trade surplus of $2.35bn in the first two months of 1983 compared to a deficit of $385m in the corresponding period last year, according to the Mexican Institute of Foreign Trade, writes William Chislett in Mexico City.

The dramatic turnaround in the trade account is in line with the Government's target of a $7bn trade surplus this year.

Christian Tyler, World Trade Editor, reports on a UK export success

## How an eye for colour helped sales




THE human eye is said to be able to distinguish up to 10m different shades of colour — a daunting physical fact of some commercial importance to businesses as diverse as chemical companies and fashion houses.

Fortunately for manufacturers, their customers are not as intolerant of colour mismatches as human visual acuity might suggest. But when people go shopping for paints, pills or pottery, for clothes, cosmetics or cars, they are fussy enough to give the manufacturer a real technical problem.

It was by offering a sophisticated solution to the problem that a small company in Newbury, Berkshire, found itself a world leader in its field with 1,000 customers in 36 countries.

Instrumental Colour Systems last month collected from Mrs Margaret Thatcher, Britain's Prime Minister, first prize in the export awards for smaller manufacturers competition sponsored by the British Overseas Trade Board and others.

ICS uses a powerful mini-computer to analyse the colour of objects held up to its spectrophotometer, or eye, and to print out alternative recipes for matching that colour.

The computer is loaded with the characteristics of dyes or paints—or indeed any pigment used in the industrial process —including their behaviour under different light and on different materials.

The point of all this is not just to get matching colours on, for example, the 10 different bits of fabric and plastic that go into a Marks and Spencer brassière. The machine is designed to have money as well.

It will say how closely each suggested recipe matches the original and will quote the price per kilo of pigment against each formula. Furthermore, an "eye" in Manchester can instruct a terminal in Madrid.

There are scarcely half a dozen companies in the world making machines of this kind. ICS recognises only one serious competitor, a U.S. company called Applied Colour Systems based in Princeton, New Jersey, which has a similar sales volume.

ICS is selling 120 of its top-of-the-range machines a year at about £40,000 each. The cash price has remained unchanged for over 10 years, so the potential customer base has widened greatly.

Set up as a consultancy in 1969, ICS gained two important early orders—from the International Wool Secretariat and Ford Motor—which allowed it to develop its own instruments and software.

It now numbers among its clients ICI, Courtaulds, M & S, J & P Coats (the sewing thread company) Hoechst, Ciba-Geigy, Volvo, Volkswagen, Laura Ashley and L'Oreal.

It employs 78 people, of whom 15 are stationed overseas in West Germany, Australia, Sandinavia, France and South Africa. Other markets, such as North and South America and the Far East, ara served from the UK.

ICS has even penetrated Inner Mongolia, where it has sold equipment to the Huheot textile dyeing concern. In all, some 85 per cent of sales are abroad, on a turnover that is expected to rise from £4.2m in 1981-82 to around £6m in the year ending June 30.

Curiously enough, the man who launched and who now runs this remarkable business is himself colour-blind.

Mr Anthony Perry is a physicist who became interested in colour while working for the photographic section of May and Baker.

His own difficulty in distinguishing red from green was, he said, a subsidiary reason for latching on to the possibilities of measuring and controlling colour objectively by computer.

After working for General Electric of the U.S., then Davidson and Hemmendinger, he left when the latter company was taken over by Kollmorgen Corporation because he considered their plan to develop their own mini-computer was a mistake.

ICS has been profitable from the first year, Mr Perry said. Last year it made £720,000 net pre-tax, and could break the £1m barrier this year.

The company's share capital is divided between Mr Perry, his close colleagues and Kleinwort Benson, Hambros, the Prudential and the National Coal Board pension funds among others.

The company may be launched this autumn on to the unlisted securities market, where, like other high-technology stocks before it, Mr Perry expects it to command a price-earnings multiple of 25 times or more.

## Total agrees $72m oil deal with Egypt

By Charles Richards in Cairo

TOTAL PROCHE ORIENT of France has concluded two deals worth up to $72m with the state-owned Egyptian General Petroleum Corporation (EGPC) for exploration and production sharing in the Gulf of Suez and the Red Sea.

The agreements have to be ratified by the People's Assembly.

The first concesion area is of 200 sq km at North Darag, north of the Gulf of Suez.

Total is committed to spending $10m there over the first three-year period on drilling two wells, $7m in an optional second period of two years, and $15m for an optional third period also of two years.

The second concession is for 10,000 sq km off Ras Banas in the Red Sea near the Halaib area administered by the Sudan.

It includes a 10-year exploration period and 20-year exploitation period, plus an optional five years.

The total committed on the second concession for exploration is $40m over 10 years.

## Nissan plans Europe parts centre

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

NISSAN MOTORS is to build a Y8bn (£22.2m) car components centre in Amsterdam to supply its European distributors, the company said yesterday.

The project will mean a drastic reduction in delivery times for components and will enable Nissan distributors in Europe to cut parts inventories from 7.5 to 2.5 months. Nissan now ships car parts to its European distributors from a parts centre in Japan.

The Amsterdam centre will employ about 100 workers including four Japanese directors. One of the centre's functions will be to try to increase Nissan's procurement of European products. The company said yesterday that it was anxious to find European sources of supply for coolant, brake and other car accessories. These would replace products made in Japan at least so far as Nissan's European car sales are concerned.

Nissan says that the plan to build the Amsterdam parts centre evolved "independently" of studies on the establishment of a UK car manufacturing facility. The UK project remains "under consideration."

## Courtaulds, Miti to swap data

BY OUR FAR EAST EDITOR

JAPAN'S Ministry of International Trade and Industry has agreed to allow Courtaulds, the UK textile manufacturer, access to non-patented information generated by a Miti sponsored research project on the technology of small-scale garment manufacture.

The exchange will be in return for information that Courtaulds hopes to have available from its own researchers in the same area.

The project to which Courtaulds is being granted access is an eight-year venture designed to develop radically new methods of garment manufacture that could overcome the cost disadventages now being experienced by small companies in Japan. The venture is being carried out jointly by Miti, three research laboratories attached to the Miti-controlled Agency of Industrial Science and Technology and 27 private companies. The total cost of tha programme is estimated at Y13bn (£35m) all of which will be provided by the Government.

Miti says that many foreign companies had showed interest in the small-scale garment project after it was announced last year. At least one other foreign participant is likely to be accepted in the near future. However, Miti stresses that foreign companies will not be given access to patented or proprietary information yielded by the project. This is virtually ruled out, according to the Ministry, by current Japanese patent legislation.

## Islamic joint ventures recommended

By Mohamed Aftab in Islamabad

A COMMITTEE representing 40 Islamic countries has adopted 10 out of 57 recommended industrial projects to be implemented on a joint venture basis throughout the Islamic world.

The projects proposals are now before the Jeddah-based Islamic Development Bank which will arrange individual financial packages and bring together interested countries or companies to be partners.

Islamic foreign ministers meeting at Dacca in November are expected to give the go-ahead to the proposed joint ventures.

There is potential for European participation in technology, plant and equipment.

The projects would comprise: an automatic paper manufacturing plant proposed by the United Arab Emirates; three plants in Bangladesh to produce basic chemicals and drugs, garments, and jute-based pulp; five Pakistani projects for kraft paper, deep-sea fishing and processing, farm implements, tannery chemicals and tin plate making, and an animal husbandry project for Senegal.

# Congressional revolt on Central America policy gathers steam

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE MOUNTING Congressional rebellion against President Ronald Reagan's Central American policies burst further out into the open yesterday. A key House sub-committee rejected his request for $50m in emergency military aid for the embattled U.S.-backed government of El Salvador and voted to prohibit any further U.S. aid to the right-wing guerrillas in Nicaragua who have been receiving covert American assistance – except under the strictest possible conditions.

The sub-committee's recommendations must still go to the full foreign affairs committee and then to the House floor, and are unlikely to be endorsed in the Republican-controlled Senate.

But they constituted the sharpest Congressional protest yet against the Administration's aid to the Nicaraguan insurgents, which a growing number of Congressmen believes to be illegal, and against the propping up of the El Salvador regime against increasingly successful left-wing guerrillas.

Senior Administration officials are now taking the line that "so far as they know," aid to the Nicaraguan guerrillas is not against the law passed last December barring the Administration from taking any action for the purpose of overthrowing the Government of Nicaragua.

Mr William Casey, the director of the Central Intelligence Agency, which is running the Honduras-based covert operation against Nicaragua, assured the Senate Intelligence Committee that the law was not being broken in "letter or spirit."

Mr George Shultz, the Secretary of State, also denied that the U.S. was infringing Article 18 of the Organisation of American States Treaty, which forbids interference in other countries. Central America is "our own neighbourhood," and the countries concerned "are very anxious to have us there," he told a news conference.

Mr Shultz castigated the members of Congress who were trying to restrict American activity in the region and the supply of U.S. military aid as making "a bad mistake." Support for the Nicaragua guerrillas was intended to provide a "military security shield" to allow progress towards democracy, economic development and human rights in El Salvador, he said.

In addition to rejecting the request for an immediate $50m in military aid for El Salvador in the 1983 budget, the Democrat-controlled Western Hemisphere sub-committee voted to restrict military assistance to $30m in both 1984 and 1985.

The amendment passed on Nicaragua would vastly strengthen the existing law by specifying that the U.S. may not "provide any expenditure of funds which have the effect of supporting, directly or indirectly, military or paramilitary operations in or against Nicaragua."

# Black voters ensure Chicago stays Democrat

BY RICHARD LAMBERT IN NEW YORK

IN THEORY, Tuesday's mayoral election in Chicago should have been a non-event. The city has not had a Republican mayor for more than 50 years. In the 1979 election, the Republican candidate lost by a record margin of more than 700,000 votes.

So when Mr Harold Washington won the Democratic mayoral primary on February 22, he should have been able to count on a smooth trip to city hall.

But as it turned out, Tuesday's election became the focus of national attention in the U.S., and the outcome is being regarded as of major significance both for the city and the nation.

For Mr Washington is black—and that single fact not only won him the primary, but almost lost him the election.

It is true that race was not the only issue in the campaign. There was the question of Mr Washington's personal record—a short period in jail in 1972 for failing to file income tax forms and a brief suspension from legal practice for failing to provide services which clients had paid for. That gave many lifetime Democrats a socially acceptable reason for voting Republican.

In addition, there was Mr Washington's pledge to abolish the patronage system, the curiously feudal arrangements which were turned into an art form by the late Mayor Daley and which gives city hall direct influence over thousands of jobs in Chicago.

Eight of the city's 50 Democratic ward committeemen worked openly for the Republican candidate in the campaign, influenced, at least in part, by the knowledge that their carefully established power base was on the line.

There were other, more general issues as well. Mr Washington is a liberal politician who supports expanded public services and says he is prepared to take direct action to keep factories open in the city.

His Republican opponent, Mr Bernard Epton, who is Jewish, is no hard right winger, but he is more conservative on issues like tax and public spending.

However, the question of race dominated the whole election. Mr Washington won the Democratic primary thanks to a major registration drive which brought in over 100,000 new black voters and gave him a solid power base in a city where 1.2m of the 3m population is black.

Blacks in Chicago have in the past been divided among themselves. This time they were rock solid for their man. Surveys taken at the polls on Tuesday indicated that Mr Washington won 97 per cent of the black votes, and only about a fifth of the white.

One reason for the strong backing was the perceived indifference of the previous mayor, Mrs Jane Byrne, to the city's minority groups. In February's primary, the white vote was split between Mrs Byrne — a tough but erratic politician — and Mr Richard Daley, son of the legendary mayor. Mr Washington squeezed through as the winner.

Until that moment, the Republican candidate had been regarded as a sacrificial lamb. When President Reagan attended a fancy Republican dinner in Chicago at the beginning of the year, Mr Epton was made to pay for his own ticket at the back of the ball, and his campaign initially lacked both money and organisation.

That position changed overnight. Although Mr Epton neither received nor asked for overt support from the national Republican party, his campaign coffers began to swell, and expert political strategists moved into his camp. Republican organisers started to appear in parts of the city where before they would never have shown their faces.

The campaign was marred by some ugly racist incidents. At least one of Mr Epton's slogans "Epton: before it's too late" was widely regarded as being a direct appeal to white voters. Some of his supporters were much less subtle.

In the end, Mr Washington won by a narrow margin after a record turnout—1.4m of the city's 1.6m voters went to the polls.

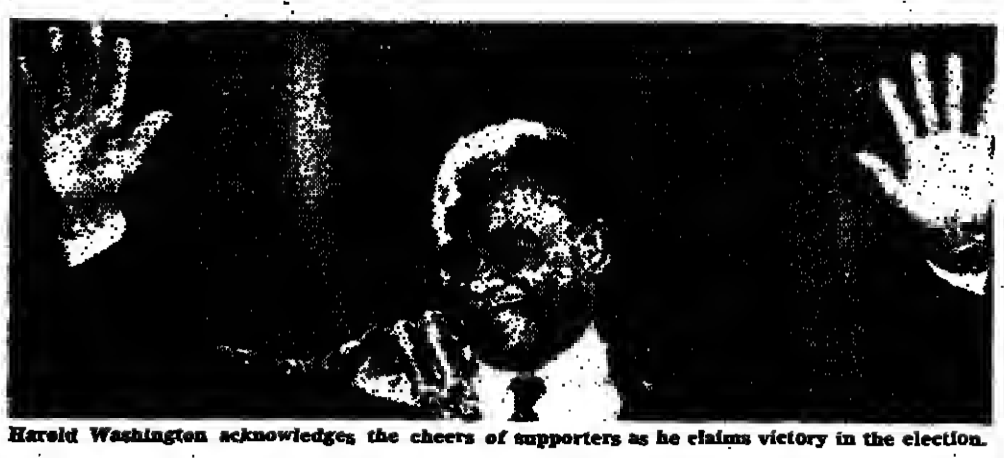
It will be some time before the implications of his victory will become apparent. After all, Mr Washington is first and foremost a politician—and he is not the first newly appointed mayor who has vowed to destroy the Democratic political machine.

But some conclusions are already being drawn about the national impact of his victory. Chicago is the most Democratic city in the U.S., and Mr Washington has received—belatedly—the public support of just about all the Democratic hopefuls for 1984. It would have been a political disaster, for them and the party, if he had then lost.

Moreover his election is already being used by black politicians as evidence that determined organisation can indeed produce results in a political system which is still dominated by whites.

The Reverend Jesse Jackson, who played a key role in Mr Washington's campaign and who is actively exploring the idea of promoting a black candidate—possibly himself—for the Democratic presidential nomination next year, said Mr Washington's victory was "the most drastic since the civil rights movements of the mid-1960s.

Chicago politics are a law unto themselves, and Mr Jackson is an ambitious and outspoken man. Yet at the very least, Tuesday's election helps to make it clear that next year's Democratic candidate for the presidency will need strong support from black voters in the northern cities and the south if he is to stand a chance of victory.



Harold Washington acknowledges the cheers of supporters as he claims victory in the election.

# Foreign investors invade Wall Street in flight to quality

BY RICHARD LAMBERT IN NEW YORK

FOREIGN INVESTORS bought unprecedented amounts of U.S. Treasury bills in 1982, a reflection of the unsettled financial climate and an international flight of money to the highest quality investments. However, net purchases of U.S. equities by foreigners fell by more than a third from 1981's record levels, despite the bull market on Wall Street.

An analysis of foreign activity in U.S. securities prepared by the U.S. Securities Industry Association (SIA) shows that foreign holdings of U.S. treasuries climbed by $17.3bn during the year to an estimated $83.5bn. West Germany was one of the major sources of the buying, with net purchases rising to $5.3bn compared to $1.1bn in 1981.

German investors were also big buyers of U.S. corporate bonds and — despite a past aversion to equity investment – they also purchased over $300m of U.S. equities during the year, with most of the buying coming during the final quarter. The SIA suggests that the exposure of the German banking system to international loan defaults, together with a recessionary climate and a political upheaval at home, may have prompted German investors to turn to the U.S. in this way.

However, the figures show that falling oil prices have led to a marked fall in purchases by the oil-exporting nations. Net sales of U.S. equities from Switzerland – which is often used as an intermediary for oil money – amounted to $524m, a big swing from the $288m of net purchases in 1981. Direct investment in equities from the oil exporting countries slumped from $1.2bn to just $376m.

Purchases of Treasury bills by these nations slipped by 32 per cent to $7.5bn.

The British remained major buyers of U.S. equities. It had been thought likely that the pace of new investment which followed the removal of exchange controls in 1979 might have slackened off last year. But in the event, net purchases from the UK jumped from $2.2bn to just over $3bn during the year with over $900m of that money being sent across the Atlantic in the final quarter.

In addition, there is evidence that UK investors are actively trading their U.S. portfolios. Their gross equity transactions in the U.S. jumped by a remarkable 40 per cent to $18.6bn.

Taken as a whole, foreign investors were slow to catch on to the bull market in Wall Street equities, which got under way last August. Their net purchases of U.S. equities slipped from $975m to $353m between the second and third quarters of 1982. But in the final three months of the year, they cast aside their caution and bought $1.5bn worth of U.S. equities.

Going in the other direction, U.S. investors showed almost no interest in buying foreign securities during the first nine months of the year, a period when the strength of the dollar made international investment an expensive pastime. However, in the final quarter their net purchases jumped to $1.3bn. As well as large purchases of Japanese stocks, an unusual feature of this buying was a big rise in investment from the U.S. in French and UK securities, a pattern which the SIA finds "puzzling."

**Net Purchases of U.S. equities**

| | 1982 $m | 1981 $m |
|---|---|---|
| Belgium-Luxembourg | (61) | 119 |
| France | 900 | (147) |
| Germany | 321 | (23) |
| Netherlands | (65) | 42 |
| Switzerland | (524) | 288 |
| UK | 3,041 | 2,226 |
| Canada | 226 | 782 |
| Latin America | 404 | 387 |
| Hong Kong | 199 | 134 |
| Japan | 100 | 112 |
| Other Asia* | 376 | 1,181 |
| Total all countries | 3,690 | 5,830 |

*Including oil exporters. Brackets indicate net sales U.S. equities.

# Congress coalition set to block Reagan plans

BY ANATOLE KALETSKY IN WASHINGTON

A BIPARTISAN coalition of Congressional leaders in the two houses of Congress looks set to overturn many of the economic and legislative priorities put forward by President Ronald Reagan for the remaining 18 months of his Administration. This follows a crucial series of votes on public spending this week by the Republican-dominated Senate Budget Committee, almost all of which went against the expressed desires of the President.

Another vote, expected late last night, by the House of Representatives in support of a nuclear arms freeze, is likely to deal a further major blow to the President's prestige in Congress.

The Budget Committee's votes, which add about $6bo to non-defence public spending, have effectively ignored the call for a freeze on aggregate spending contained in the 1984 budget and are closer to the alternative budget passed last month by the Democratic Party in the House of Representatives than they are to the White House proposals.

After last week's decision by the Senate Budget Committee to cut back the President's arms build-up from a 10 per cent to a 5 per cent real growth rate, the fate of the 10 per cent tax cut scheduled for July this year is the only really substantive issue dividing the Democrats in the House and the Republican leadership in the Senate.

If the tax cut is preserved, other major tax increases will almost certainly be agreed between the two Congressional parties for 1984 and beyond, despite President Reagan's protests. Although the make-up of the budget may be bad news for the White House and may disappoint Wall Street because of its emphasis on higher social spending, the likelihood of a budget resolution being passed by the summer appears greater than in the past two years.

Mr Paul Volcker, the chairman of the Federal Reserve Board, indicated strongly on Tuesday that uncertainty over the budget was now the most important factor keeping up interest rates.

UK NEWS

# Strikers warned of threat to BL investment plan

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL, the state-owned motor group, warned last night that a continued stoppage at its Cowley plant, Oxford, would jeopardise further investment. A mass meeting of strikers is due to take place today.

Mr Harold Musgrove, chairman of Austin Rover, said £225m had already been spent at the Cowley plant. "If we pour millions and millions of pounds more into a plant where the labour force is not prepared to work capacity to the full, I would be acting unwisely."

He added: "This is not a threat. It is a statement of logic, a statement of fact".

The company insists it cannot compromise on the demand that employees should work a full 39-hour week and end the long established practice of ending each shift three minutes early.

Shop stewards are expected to urge workers today to reject the company offer, to phase in a change in practices. A vote to continue the stoppage, now into its third week, would plunge BL's volume cars division into a deeper crisis.

Production of the Maestro, Rover, Acclaim and Ambassador models, are at a standstill. Austin Rover says some 12,000 vehicles with a showroom value of £72m have already been lost.

Mr Musgrove made clear last night that he did not want to "force" the labour back at Cowley. Employees had to consider for themselves whether they wanted to use capacity to the full and be involved with an expanding factory, he said.

The warning about investment is not immediate. Money is already pledged to Cowley to assemble the Maestro and its derivatives. The project, under threat is the planned new executive car code-named XX to be built in collaboration with Honda of Japan. Cowley was the obvious place to build the new vehicle.

Austin Rover must hope the publicity given to Mr Musgrove's appeal will sway workers. The consequences of rejection by the mass meeting is implicit in a letter sent to all workers by Mr Doug Dickson the plant's director.

The letter, moderate in tone, points out that workers are in breach of their contracts of employment. The unions expect BL as before, to insist that workers must report back by a certain date or be deemed to have dismissed themselves.

A key factor in today's vote is likely to be the loss of earnings suffered by workers. While they realise they may eventually be defeated on the issue of "washing up time" there is widespread unrest about relations with management.

# Closure warning to television workers

By Robin Reeves, Welsh Correspondent

GEC-HITACHI, the joint British-Japanese television manufacturer, has warned its striking workforce that the company faces a critical financial situation and may close down, unless there is a return to work by next Monday.

In a letter to all 1,200 production workers at its Hirwaun factory, near Aberdare in South Wales, the company admits that its plans for a wages freeze for the third year running and bonus payments cuts of £6-£7 a week, which have prompted the stoppage, are "unpalatable." But it says the measures are necessary to try to ensure a future for the business.

The company reveals that in the year to March 31 GEC-Hitachi made a record loss of £5.2m and that after six years of continuous loss-making the plant faces a "very critical financial situation."

Hitachi joined forces with GEC four years ago to re-quip, modernise and expand production at Hirwaun, with a capital injection of £2.75m.

Last year, the company was forced to make 800 workers redundant as part of a retrenchment package aimed at cutting costs by 25%. But the redundancy costs evidently account for only a small proportion of the latest losses.

Urging the workforce to return to work by next Monday at the latest, the letter warns: "There is very little time left before a decision must be taken on whether the business continues or closes."

Details of the company's final offer in last week's abortive negotiations with trade union officials say that pay talks could resume in September, but that the company is making no prior commitment to any improvements.

Bridgeport Textron agrees with Japanese company to produce under licence

# Machine tool maker turns East

BY IAN RODGER

IT IS difficult to believe that it was only a decade ago that Japanese machine tool builders were negotiating licences to manufacture Western machines or simply copying them.

Today, the tables have turned. The Japanese lead the world in machine tool technology, while established companies throughout Europe and the United States are scrambling to catch up.

The latest proof of the Japanese lead comes from Bridgeport Textron, the UK subsidiary of a large U.S. machine tool company. Bridgeport, formerly Adcock-Shipley, has become the first British company to take out a licence to manufacture a Japanese machine tool in Britain.

Mr Arthur Aldridge, managing director of Bridgeport, makes no bones about the reason for the decision. "We needed to get into a new field quickly, and we did not have the capability to design a machine ourselves."

But Bridgeport is not making this move out of desperation. It is one of the leading manufacturers in the world of small-scale standard milling machines and one of the few profitable machine tool builders in the UK today.

The company claims a share of more than 50 per cent of world markets for its range of machines, and its largest single export market is Japan. Technology has moved so quickly in the past three years that the company is worried that it may fall behind.

The Bridgeport range of machines is priced from £5,000 to £23,000 and is aimed mainly at small, independent machine shops that make dies and small machined parts on a contract basis. Until recently, electronics were so expensive that automation of these machines was out of the question.

With the development of low-cost integrated circuits and bubble memories, all that has changed. Bridgeport has partly automated some of its machines, but has also seen the need for a fully automated small machining centre to complete its range.

Yasuda, a small, privately-owned Japanese machine tool builder that was copying European machines 13 years ago, has detected the same opportunity. It has developed what might be called a mini machining centre, a machine no bigger than a small van, but containing up to 20 cutting tools and operating in four axes.

It is priced at about £50,000 compared with about £70,000 for previous bottom-of-the-range machining centres. Larger ones can cost up to £1m.

Bridgeport is paying £300,000 for a 10-year agreement. It gets the exclusive right to manufacture the machine outside Japan and non-exclusive rights to sell it throughout the world except in Japan. It will pay royalties of 3½ per cent on each machine sold.

Initially, Bridgeport will be assembling kits supplied from Japan, but it has the right to substitute as many of its own manufactured components as it wishes.

The company is investing £2m at its Leicester factory on equipment to do its own manufacturing, and Mr Aldridge expects that, apart from the electronic control unit, Bridgeport will make all the parts within a year.

"We can't afford to be dependent on Japan because of the uncertainty of exchange rate movements," he said.

The company is also bolstering its machine design department so that it will be able to make future developments on its own. The Department of Industry believes the Bridgeport approach, humiliating as it may be initially, is one that many UK machine tool builders will have to adopt if they are to recover their competitiveness in world markets.

The Department has strongly backed the Bridgeport project, providing about a third of the £2m investment under its innovation and factory automation schemes.

● Thorn EMI, the electronics and entertainments group, has signed an agreement with one of Japan's leading manufacturers of industrial robots, Yaskawa Electric Manufacturing, to build a range of Yaskawa arc welding robots under licence in the UK.

The agreement, under which Thorn EMI will sell exclusively in the UK and Europe, except for France, brings to five the number of licensing deals between British and Japanese robot producers.

# Steel workers reject strike peace terms

By John Lloyd, Labour Editor

THE STRIKE in the British Steel Corporation's South Yorkshire Division continued yesterday in four out of the eight plants despite an official call for a return to work from the Iron and Steel Trades Confederation.

There was also continuing dispute between the unions and management about the terms of the return-to-work agreement.

Refusal of 900 craftsmen – mainly members of the Amalgamated Union of Engineering Workers and the Electrical and Plumbing Trades Union – to accept the ISTC return-to-work instruction and subsequent picketing, caused the continued shutdown.

# Denmark presses for extradition of director

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE DANISH Government yesterday asked the High Court to order a London magistrate to continue hearing an application for the extradition of a Danish company director who is accused of involvement in a DKr 125m ($14.5m) fraud.

The court was also asked to quash the decision of the Chief Metropolitan Magistrate at Bow Street Court last September to discharge Mr Jan Bonde Neilsen under the Extradition Act.

Mr Bonde Neilsen, who was arrested in London in August 1981, was formerly managing director and controlling shareholder of the Burmeister and Wain shipbuilding group. He also controlled Gredana, an investment company. In Denmark he has been accused of fraud involving a loss to Gredana of DKr 125m.

Mr Clive Nicholls, QC, for the Director of Public Prosecutions, on behalf of the Danish Government, said the magistrate had applied the wrong legal test in deciding that Mr Neilsen was not accused of an extraditable offence.

The case raised an important legal question about the ability of foreign governments to seek an English court order overturning a magistrate's decision to discharge a fugitive, he said.

The Bow Street magistrate's decision so circumscribed the law of extradition as to make it almost unworkable.

# Granada enters market for microcomputers

GRANADA GROUP has made a multi-million pound diversification into the computer business. It plans to set up a national network of outlets to sell and lease microcomputers for small businesses.

The group, which has interests in television, theatre, motorway catering and television rental, has formed a company called Granada Microcomputer Services.

At first, it will offer a choice of four microcomputers, none of which is UK-made.

# Borrowing exceeds forecast by £1.3bn

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

CENTRAL Government Borrowing Requirement (CGBR) was £1.3bn more in 1982-83 than was predicted at the time of the budget, according to official figures yesterday.

They showed a provisional estimate of £12.58bn for the financial year just closed, compared with £7.52bn in the previous financial year.

However, these figures do not include borrowing by local authorities and nationalised industries, and there have been some important shifts in the pattern of borrowing during the past year.

In spite of the larger than expected figure for central government borrowing, opinion in the City of London yesterday was that the Government's forecast of a total Public Sector Borrowing Requirement of £7.5bn for 1982-83 was not likely to have been exceeded by a large margin in the year.

This was partly because the figures show a further increase in local authority borrowing from central government

# U.S. receives The Economist by satellite

THE ECONOMIST will use satellites this week for the first time to transmit its edition to the U.S.

It is believed to be the first European magazine to use a satellite to reach its U.S. readers. The Manchester Guardian Weekly newspaper, however, began travelling to New York by satellite two weeks ago.

The two publications are using high-speed, high-resolution facsimile transmission organised by Donnelley Satellite Graphics, a London subsidiary of R.R. Donnelley.



# Reuters doubles profit to a record £36.5m

BY CHARLES BATCHELOR

PROFITS at Reuters, the international news agency, and electronic information service, more than doubled in 1982 to a record £36.53m.

The company, which has come under pressure from some of its shareholders to seek a stock exchange listing, repeated its intention to remain independent.

Reuters, which is owned by the British, Australian and New Zealand press under a trust agreement, reported a 123 per cent rise in its operating profit from the £16.37m level of 1981.

Profit after taxes rose 139 per cent to £33.39m from £13.99m on turnover which increased 30 per cent to £179.91m from £138.8m.

The directors are recommending the payment of a £60 dividend for each £1 of issued stock, an increase of 200 per cent on 1981, which was the first time Reuters had paid a dividend since 1941.

It was this first payment to shareholders which prompted Lord Matthews, chairman of Fleet Holdings, the owner of several newspapers including the Daily and Sunday Express and the Star, to urge Reuters towards a market quote.

Sir Denis Hamilton, chairman, said yesterday: "While accepting the need for a proper respect for our shareholders' interests, the board reaffirms its commitment to the basic principle of the Reuters Trust agreement that control shall not pass into the hands of any one interest group or faction, and that its integrity, independence and freedom from bias shall at all times be fully preserved."

# TECHNOLOGY

EDITED BY ALAN CANE



GENERAL ELECTRIC IN THE U.S. GOES FOR MAJOR INVESTMENT

## Geared for a rail renaissance

BY RICHARD LAMBERT IN NEW YORK

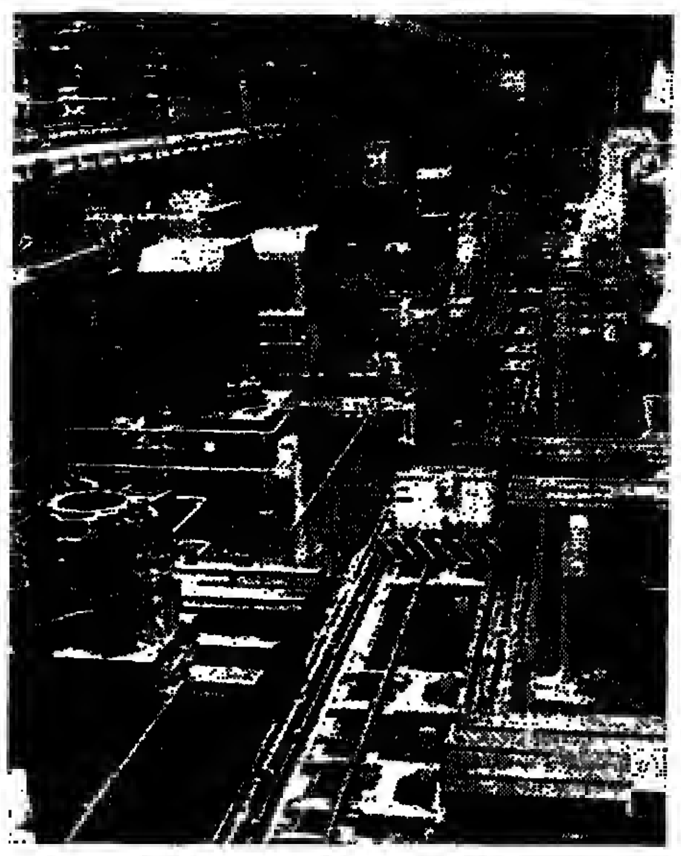
ERIE in Pennsylvania has the shuttered, rusty look of a town that has taken a beating during the U.S. recession. But within a sprawling collection of shabby buildings, not far from the centre of the town, a major investment programme is under way to revitalise one of the largest and longest established manufacturers in the area.

General Electric has been building locomotives at this site for 70 years, and it now employs around 7,300 people making a range of main line diesel-electric and all-electric locomotives, as well as drives for drilling rigs, electric wheels for off-highway vehicles, and control and propulsion systems for transit cars. Although business has been bad lately, GE is looking for a strong npturn in demand over the next few years, on the hack of what it sees as a renaissance in the U.S. railroad industry.

Faced with a need for new capacity, the group is undertaking a U.S.$316m investment which will transform the whole facility by the time it is completed in 1986. Over two-thirds of the money is going on equipment to improve productivity—including a whole range of new technologies, such as computer-aided manufacturing, robotics, inter-active graphics and distributed numerical control which will cover wide areas of the plant inclnding process automation, handling and machining systems, and fabricatioo.

In addition, a tenth of the investment will be spent on rearranging the present facilities to improve production flows and reduce inventories. The rest of the money will go on additional floor space.

The antomation programme is expected to bring substantial savings. Mr Carl Schlemmer, general manager of GE's transportation systems business, says the investmeot is expected to produce reductions of 25 per cent in direct labour and of 20 per cent in material costs, as well as a 20 per cent improvement in inventory turns. Capacity will go up by about a third, with only 12 per cent added to the floor space and 10 per cent to the workforce. Most significaot of all, perhaps, is the fact that GE expects to finance the whole programme through the savings in working capital which automation should make possible.



*The Flexible Machining System at GE's Erie plant in Pennsylvania features nine CNC machine tools and a fixture set-up station located on both sides of 212-foot-long chain-driven transporter. The automated transporter, under the control of a programmable controller interfaced to an executive computer, delivers motor frames weighing up to 2,500 pounds to 21 load/unload stations.*

Within the battered shells of the existing buildings, the group is building what it calls a paperless factory, in which the whole production cycle will be built around a fully integrated on-line computer system.

Starting at the beginning, the design output of the engineering department will be passed on to the manufacturing engineers in electronic form, rather than as drawings, and will then move through materials control, which will automatically schedule and order materials and keep track of stock and prodnction flows.

All this information will come together at the factory in the bost computer, which will contain in its memory details about how, when and what to produce. This in turn will send instructions to the computer-cootrolled equipment, such as numerically controlled machines and robots, which will actually do the job. Quality controls, financial data, and customer service records will also be plugged into the same system.

Already completed within this overall project is a U.S.$16m computer-controlled flexible machining system for the production of a family of motor frames and gear boxes. The first of its kind to be installed in the GE group, the system was manufactured by Giddings and Lewis, and is capable of machining a range of sizeable parts on a random basis.

Originally intended to machine a family of motor frames each weighing around 2,500 lbs. It is now being adapted so that it can also handle parts weighing at little as 150 lbs.

The system is built around a 212-ft long rail tracked, chain driven automatic transporter, which carries frames between any one of the 21 shuttle stands that service the equipment and the loading station. Under the directions of an executive computer which directs and tracks the activities of all the elements in the system, the transporter purrs up and down between nine beavy-duty machine tools, each of which features automatic or robotic tool changers.

A job that used to take 16 days and employ 70 people on 29 separate machine tools can now be completed by four people in the space of 16 hours.

At the start of the process, the computer displays the sequence of parts to be loaded in order to maximise the productivity of the system. After each frame is loaded into place, the computer selects the work station that can perform the first machining operation, and will be available in the shortest time. It then tells the transporter to deliver the part to the appropriate tool, shunts it off into the arms of the machine, and initiates the machining programme.

Over 500 cutting tools are stored in the nine machine tools ready to spring into position at the computer's command.

The part continues in this way through the system, always being sent to the first available station. It returns to the set-up station when it needs to be refixtured, and requires an average of eight machining operations.

In the old days, says Mr Schlemmer, each one of the 29 machines had to be individually controlled, programmed and operated, and there was a queue of inventory waiting to go through every one of them. "But now what we've got is a bank of nine brand new machines, which are more productive than the old machines in the first place and, in the second place, are controlled in terms of manufacturing cycle completely as a single grour

As well as the enormons rise in employee productivity and fall in the production cycle, the system is producing improved part quality and is capable of generating a 38 per cent increase in capacity from 25 per cent less floor space. And because of the well ordered production cycle, it requires far less inventory to get that capacity out of the equipment.

SEMAPHORE LINK-UP FOR TWO MACHINES

## How to solve the talking gap in small computers

BY GEOFFREY CHARLISH

A 10-MAN all-graduate Basingstoke company called Albetros, founded in 1976 and with a predicted turnover this year of £0.35m, claims to have come up with an answer to a problem now beginning to afflict many companies deploying small computers.

The problem is simple enough to state: as more personal and other micro machines are purchased by an organisation, tha chances are that they will not be able to talk either to each other or to any central mainframe or mini.

The problem has not been quite so easy to solve according to Mr Peter Hills, the managing director of Albetros. He points ont that althongh there have been various designs linking specific pairs of machines at low cost, most of the development effort has been put into higher speed synchronous systems such as Ethernet and X25.

He maintains that apart from being extremely expensive in terms of line time and equipment costs, such systems need special installation and testing effort and are generally not applicable to the personal computer and micro markets.

Albetros, which has sharpened its teeth on six years of software consultancy work for companies such as Plessey, Marconi and Ferranti, calls its new system Semaphore and claims it is capable of linking any two machines

In its basic form, Semaphore consists of £250 of software, loaded via disc or tape like a normal user program into the computers at the two ends of the line—which can be an ordinary dial-up line of any quality, claims the company.

The software has so far been tailored for the IBM, DEC and ICL personal computers as well as the Cifer, Televideo, and Rair machines. Bigger computers covered are the PDP 11, VAX, Eclipse, Prime, IBM 30XX and IBM 43XX. Any pair of these can be linked and as an organisation acquires further computers, they can be incorporated at rates reducing sharply below the £250 per link.

For each machine a tailored Semaphore software package is supplied, pre-configured to take full account of that machine's input/output file handling peculiarities.

It is also possible for "dumb" devices such as disc drives or data loggers to be connected using a hardware/software version of Semaphore called "Blue Box" by the company. The input to Blue Box can be any device working in RS232C and the output is connected via a modem to line. The starting price is £690.

The link provided by Semaphore is immediate, with no installation or implementation problems says Albetros. Existing software and hardware is unaffected.

A full error correcting communications protocol is provided and ASCII or binary files may be transferred in either direction. The system can be used with any modem and allows transmission at up to 1200 baud. Minimum memory of the computers involved is put by Albetros at 64k.

The company says it is already negotiating in San Francisco, Hamburg and Tokyo for distribution of the software version, while sales of the Blue Box are expected to be restricted to Europe. More on 0256 57551.

Microcomputers

### Canadian Hyperion $20m sales

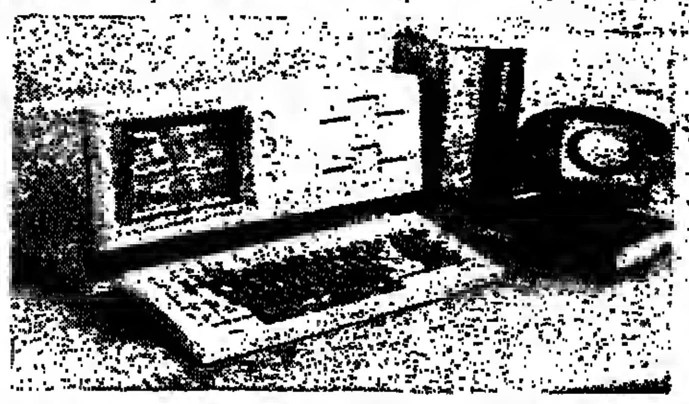
IN LESS than six months the Canadian built Hyperion portable 16 bit microcomputer has achieved sales of more than U.S.$20m in North America. Now it is being introduced into the UK market by Gulfstream Technology.

Gulfstream is a young company which was recently taken over by Bytec Management Corporation, the Ottawa based venture capital group. This company was set up by Mr Michael Cowpland, president of Mitel, the highly successful telecommunications group.

Bytec owns a number of companies inclnding Dynalogic Info-Tech Corporation, which developed the Hyperion. This company has increased production to 4,500 units a month to meet expected world demand.

The machine, which costs just under £2,899, is based on the Intel 8088 processer and uses the MS-DOS operating software which makes it compatible with the IBM personal computer.

ELAINE WILLIAMS



A price tag of £2,899 is one of the main attractions of the new 16-bit Hyperion business microcomputer.

Scanning

### Surface technique

A NEW technique for studying surfaces has been developed by scientists at IBM's Zurich laboratory in Switzerland. Called scanning tunnelling microscopy, the technique produces 3D images of the surface topography of solids that show details down to the atomic level.

IBM says that other applications for the new technique include the study of the electronic properties of surfaces, the structure of aborbed molecules and the growth, structure and electrical properties of thin overlayers such as oxides.

The technique makes use of a phenomenon called vacuum tunnelling which involves the passage of electronics between two conducting or semiconducting solids that are narrowly separated by a vacuum. The tunnelling occurs because of the wavelike properties of the electron.

The probe follows the hills and valleys on the material surface keeping a constant distance from the surface. A number of scans builds up the 3D image. More details of the technique are available on 0101 914 945 3037.

Ultrasonics

### Detector

AN ULTRASONIC flaw detector designed for dry coupling applications has been launched by Baltean Sonatest. Called the Dryscan 200, the instrument can also be used with conventional pulse echo techniques.

With dry coupling, the transmitter and receiver probes do not have to be aligned. They can be placed at an angle of 90 deg to each other. Such alignment is useful when testing materials of a complex shape.

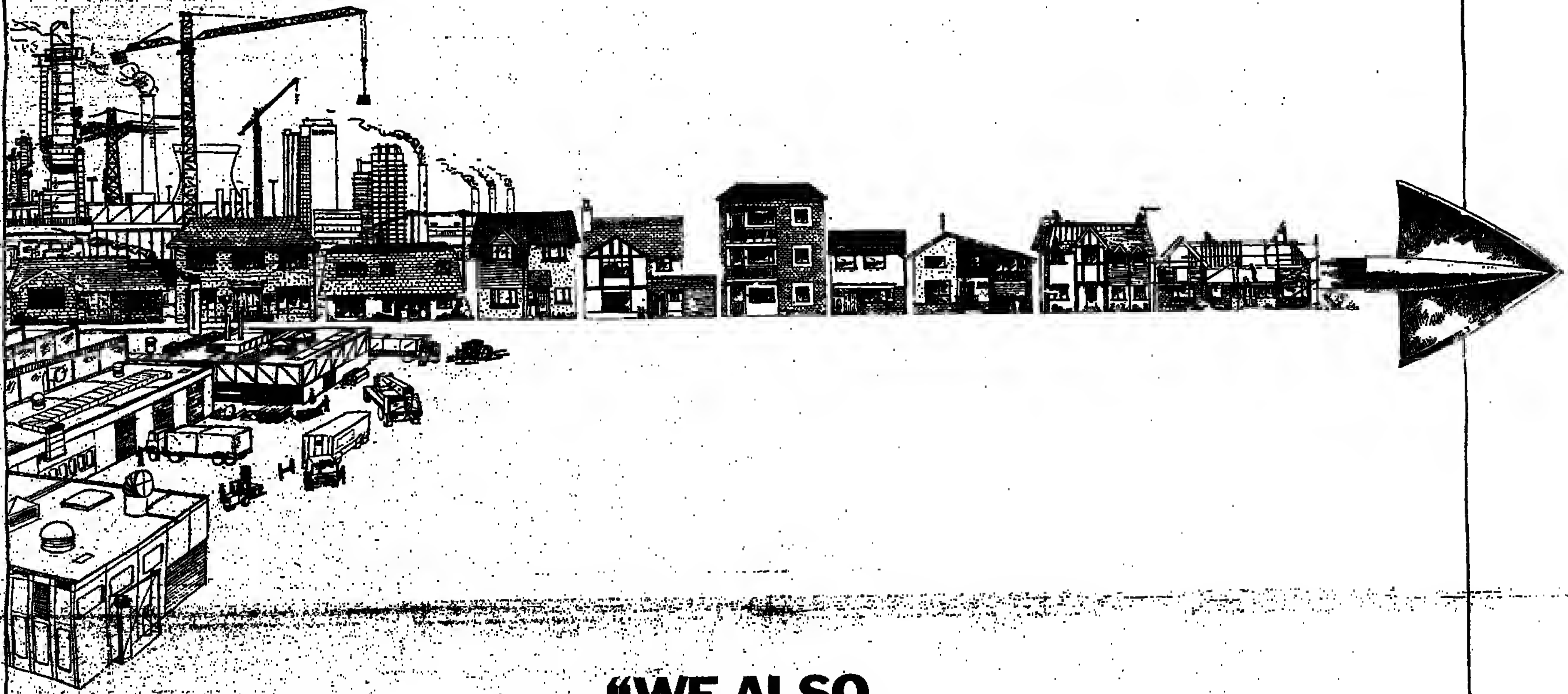
### Sight aid

An electronic aid for the partially sighted has been launched in Britain by Wormald International Sensory Aids. It is an advanced information handling system called the Viewscan Text System.

It comprises a display screen with large type, linked to a hand-held camera for reading text. It can act as an electronic typewriter and a text retrieval system. More on 0602 814673.

ABBEY NATIONAL 1982

# "WE'RE NOT JUST IN THE BUSINESS OF CREATING HOMES."



# "WE ALSO CREATE JOBS."

## NEW BUILDING COULD SPEARHEAD ECONOMIC REGENERATION.

**Sir Campbell Adamson, Chairman of Abbey National speaking at the Annual General Meeting on 13 April 1983 said:-**

. . . at a time when unemployment is affecting an alarmingly high proportion of the country's workforce – including Abbey National membership – I should like to reflect on how our activities affect employment prospects. It has been argued that in the 1930's a great upsurge in house construction financed by building society money helped considerably to pull the country out of the slump. The forecast rate of starts this year may not represent a boom of those proportions but is an indication that the confidence needed to get the economy off the ground may be returning. It is hoped that our allocation of £750m for new house building will be an added incentive for companies, large and small, to expand their labour force. New and growing communities also bring new opportunities for local tradesmen and commercial enterprises, giving a welcome boost to mature businesses.

In inner city areas, I am not yet convinced that the full implications of Abbey National involvement in improving housing conditions has been grasped by the business world. These areas represent a large market where finance is now, perhaps for the first time, readily available. The success of our showhouse programme will be measured in terms of the impetus given to householders to improve their homes. This in turn will bring an expansion of employment opportunity and have a beneficial 'knock on' effect for the economy of the areas as a whole. Similarly, the role of Abbey Housing Association is important in providing new housing.

I think we can rightly say that we are not just in the business of creating homes. We also create jobs.

*Among the other points made by the Chairman:*

### HOME SERVICE

Given that the building society industry can attract sufficient receipts, private housing starts this year could exceed 160,000. We have set ourselves an overall £3 BN lending target for 1983, of this £750m will be set aside to finance new house building – **the largest sum ever allocated by a building society for the housing industry.** Of this £750m, £100m has been earmarked for inner city building projects.

Over 25% of our lending last year went into pre-1919 housing.

We have established a programme to buy run down properties in urban areas to refurbish as showhouses. Our intention is to show local people what can be done with mortgage and improvement grant aid. We are currently involved in discussions in Liverpool to rehabilitate a large post war housing development.

Abbey Housing Association is continuing its activities on sites involving houses, flats and maisonettes, the programme is approaching 1000 units completed or under construction. The 104 units planned at Tower Hamlets are now complete and the largest undertaking so far is in Bermondsey where 160 units are under way with 20% earmarked for assured tenancies. The Association has moved into refurbishing property involving flat conversions for sale in Reading. In general, the major obstacle to making more rapid progress is the acquisition of land in reasonable locations and on reasonable terms from local authorities.

Much has been said about the advent of Mortgage Interest Relief at Source – MIRAS. 100,000 people have asked for details on how a change to endowment would benefit them. The final decision rests entirely with the borrower. Our role is, as always, to offer advice and to ensure that the decision is made against the full range of relevant information.

### MONEY SERVICE

Major reorganisation of the Society's computer technology is well under way to provide counter top terminals and automatic passbook updating, designed to speed up our payment and withdrawal facilities.

The most popular schemes proved to be the Seven Day Account and High Option Bondshares. Well over £1 BN was invested in each during the year with the Seven Day Account, which was a prime factor in our excellent market performance, now totalling more than £1.5 BN.

To these and other well known products in our range, we have added the Cheque-Save Account.

This does not mean the Society is moving into the banking business and we are not interested in trying to capture any of the high volume cheque market.

Membership of the Junior Savers Club now tops 600,000 – 200,000 joined in 1982 alone. The Club is in many ways the first step on the home ownership ladder. In addition to providing newsletters and competitions, we are actually open in out-of-school hours unlike some competing institutions.

The Home Income Plan to provide elderly home owners with a fixed guaranteed income for life, aroused tremendous interest. So far business amounting to £8.4m has been completed.

### 1982 RESULTS

Total assets now exceed £12 BN – an addition of £2 BN during the year – representing a growth rate of 20.5%.

Our operations generated a surplus of £59 m although the Reserve Ratio dipped marginally to 3.6% through controlled use in a highly competitive environment.

Liquidity Ratio at 20.7% stood at slightly above the end 1981 figure.

A remarkable 1.8 million new investment accounts were opened, bringing the total number of membership accounts to 8½ million.

The Society lent more money on house purchase and improvement and to more people than at any other time in its history. Lending at £2.6 BN was an increase for the second year running of 28% over the previous year. Of the 150,000 purchasers assisted, 85,000 were first time buyers and over 16,000 were existing council tenants who purchased their house outright. A measure of our continuing commitment to housing improvement is that we made £212m available to more than 78,000 borrowers – 50% more than 1981's record figure.

The opening of 29 branches brought the total number to 664, by far the largest network of any Society.

We now have 2,463 agencies, the most active and successful of these take on many of the functions of a branch. The direct sales force has been expanded to 160 people making a growing contribution to the Society's operations.

On each working day in 1982:

1. A new investment account was opened every 4 seconds.
2. A new mortgage loan was provided every minute.
3. The Society helped to provide a loan to a first time buyer every 1½ minutes.

For the year as a whole, this means an average of 20 mortgages and 243 investment accounts for each of the Society's 7409 full time staff.

**ABBEY NATIONAL BUILDING SOCIETY**

FULL COPIES OF THIS SPEECH, THE ACCOUNTS AND DETAILS OF OUR HOME AND MONEY SERVICE CAN BE OBTAINED FROM: THE SECRETARY, 27 BAKER STREET, LONDON W1M 2AA.

## THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

# Running into a marathon battle

**Ian Hamilton Fazey, London Marathon runner 7996 on the training shoes market**

Chris Brasher (left), Ron Hill (top right) and Brendan Foster as they once appeared on the running track. Today their companies—New Balance, Ron Hill Sports, and Nike—are competing for Britain's sports shoes market

SUNDAY'S third London Marathon could well be critical for many of Britain's retailers of running shoes. For the race is the British sporting calendar's greatest promotional event for mass-market fun-running. While the first two events got people running in their tens of thousands and sparked off marathons everywhere, the retailers are nevertheless desperate for another boost.

Without it, the running boom may well prove a burst bubble for some of them. These doubts are not being raised by ever-confident shoe manufacturers, but by a man in the middle who should know, Dr Ron Hill.

Hill, 44, a former textile chemist, European and Commonwealth marathon gold medallist of yesteryear and still one of the fastest veterans in the world, is now a successful manufacturer, wholesaler and retailer of running gear. The turnover of his Manchester-based company will top £1.8m this year, an increase of 50 per cent on the previous 12 months.

He believes that many retailers are now struggling. The evidence is coming from the debtors' ledger of his wholesaling business, with retailers all over Britain short of cash and begging for extended credit.

The retailers are hoping that Sunday comes with good Spring weather, thousands of teeming spectators around the course, a fast men's race and a world record for the marathon's top woman, Grete Waitz of Norway. This would be just the sort of formula to induce hundreds of thousands of sedentary televiewers to start jogging on Monday, as has happened in the past throughout the U.S., Western Europe, South-East Asia and Australasia.

In Britain's case the yearly number of marathons run has risen from 21 in 1979 to 114 in 1982. This year at least 125 will be staged.

So what does this mean in terms of markets? The total UK market in "training" shoes, which is what all but the elite run in, was worth about £50m last year, according to *Retail Business*. Of this, two-thirds of the volume was comprised of inexpensive black leather "kickabout" types of shoes, some of which were used by the inexperienced for running marathons.

"Serious" runners' shoes accounted for 8-10 per cent of the volume, but it is this sector that is mushrooming with the running boom. More important is that this end of the market will stand prices that are sometimes amazingly high. Few committed runners will take shoes seriously at all if they cost less than £20 a pair.

Thus the most conservative estimates put the market worth nearly £10m, at 250,000 pairs a year and growing. This figure is borne out by the actions of the one British designer-manufacturer making a real impact in terms of market share, Reebok, which has just doubled its capacity in Bury to produce 1,000 pairs a week for the home market. Last year its output was about 25,000 pairs and it had a 10 per cent market share.

There are 26 manufacturers fighting for the British market at present. Market segmentation is astonishing, with shoes to cater for any preference.

The U.S. company, Nike, named after the Greek goddess of victory, dominates world markets. Its British operation, headed by former international champion runner Brendan Foster, has 18 models on sale and in 1982 had a 34 per cent market share, according to *Retail Business*.

New Balance, another U.S. company, sells 10 models in Britain through Fleetfoot, which is headed by Olympic Gold Medallist Chris Brasher, originator of the London Marathon. Its market share last year was 28 per cent.

Adidas, with 11 models, is third in the league with 12 per cent of the market, while Reebok's seven models put it fourth.

All advertise extensively in the running press, as do many others trying to get in against them, but who at present are scrambling for crumbs. For what Foster and Brasher both stress is that word of mouth among runners is their most powerful channel of promotion: so the more runners there are in your shoes, the more there will be. Both say that in order to be spoken well of, good design and quality are critical—the "product" part of the marketing mix.

But there are four ps in that mix—product, promotion, price and place of sale. The last of these is throwing up interesting disturbances in the pattern.

Keith Wilkinson, Fleetfoot's marketing manager, says that surveys at the finishes of five marathons last year — he counted the numbers of who was wearing what—showed New Balance's share to be between 27 and 33 per cent. Nike had 26-27 per cent, Adidas 10-11, with everyone else around 2-3 per cent each.

He declined to name the races, but obviously New Balance's share could have been enhanced by greater availability locally than nationally.

Similarly, Ron Hill says that his shops and mail order sales for 10 months to March were dominated by a locally made Reebok model supplied direct from the factory. This outsold its nearest Nike rival by 35 per cent, even though it was £4 dearer. However, Nike occupied the next four places in Hill's league table and had the biggest overall share.

This suggests that Nike's competitors can outsell the national market leader where there are pockets of greater availability. Nike, on the other hand, relies on a consistently wider availability.

Is Nike then impregnable? Like all good market leaders it is working hard on staying there with sound products, innovative design, fair prices, brilliant promotion — prints of its posters are collectors' items — and wide availability.

Against this, Fleetfoot has had to put up New Balance prices to offset losses caused by the fall of sterling against the dollar, and Adidas and Reebok would have to make extraordinary (and probably impossible) efforts to close the gap.

As for the 20 or so tiddlers in the British market, they are all growing in size, if not share, purely because the market is expanding continuously. There is clearly still a lot of untapped turnover and profit to sustain many companies. On Sunday, about 18,000 of us will set off on the 26.2 miles from Greenwich to Westminster Bridge and help them all along their own long, hard road.

ADVERTISING: BY FEONA McEWAN

# How Saatchi aims to take British Airways up, up and away

Omar Sharif, one of "the coolly confident film stars collecting free BA tickets"

WHAT DO YOU DO with an airline that research tells you is seen by most people as fat, unprofitable and poorly run, and owned by the Government into the bargain?

This problem faced the brothers Saatchi when they landed the plum British Airways account last year. It was a turbulent moment in the British advertising calendar, amounting to the largest single UK account move ever at the end of one of the stablest of marriages—36 years with American-owned agency Foote Cone and Belding. The cosy, some might say sleepy, days of Fly the Flag and We'll Take Good Care of You, the airline bosses decreed, were over.

In marketing terms the task was to reposition the brand in the light of the airline's recent dramatic reorganisation.

The £25m advertising solution, unveiled on UK screens this week (and in America, Canada and Australia simultaneously), is a slick, sophisticated campaign with a hard-hitting message dressed up in an entertaining, humorous style. The persuasive line, "The World's Favourite Airline," according to BA, is a fortuitous fact that emerged during agency research much to the surprise, it is said, of many inside as well as outside the airline. BA flies more people, we are told, to more countries than any other airline and it is on this theme that the campaign hinges.

Semantics, incidentally, are important here. There are airlines that carry more passengers (Aeroflot, for instance, principally on domestic flights) but BA alone flies more people to more countries than any other. According to IATA, in 1981 BA carried 11.7m passengers to Air France's 9.6m; BA flew 37bn route kilometres to Pan Am's 34bn.

Before deciding on the "favourite airline" approach, the agency conducted considerable research in eight countries, four in depth. It questioned consumers (both businessmen and holidaymakers) and the travel trade. It questioned BA itself to discover how it saw itself and ran its business. It compared BA to other airlines.

And it learnt that, especially in the UK, people viewed BA in the same jaundiced light as they apparently do all nationalised industries.

The research revealed that in comparison with other major international airlines, BA was seen as unexceptional. Saatchi's learnt that since the name of the company and the airline were one and the same (unlike, say, Procter and Gamble and Ariel soap powder) the unprofitability of the one influenced the view of the other. Once the company is seen as profitable, goes the thinking, it will become so.

David Miln, board member of Saatchi's worldwide, explains the problem: "In tough times airlines fight for business on price and availability. This makes it a commodity market and you wind up in a price war. The net result is that the advertising looks the same. 'My seats are wider than yours,' 'my food better' and so on. And the consumer fails to see any difference."

After its recent dramatic surgery under chairman Sir John King—the pruning of 20,000 jobs and a management reshuffle—the airline felt it was different. Improved efficiency and service with the prospect of a profit—albeit small this financial year — signalled the turnround.

Once the ground rules were established—with the company back on the road to profitability, world economy permitting, and, who knows, privatisation too—the agency felt it was time to move to the offensive. It calls it adding value to the brand.

With the initial research over, Saatchi's sought a single-minded proposition which would be both alive and compelling. It examined what it was that customers wanted from BA and what BA was actually offering and looked for the join. A number of propositions—and possible slogans—emerged which were taken back to the field and tried out on consumers. No prizes then for guessing which one packed the most punch.

There will be considerable interest in the industry about how well the campaign travels, since it will reach into no less than 33 countries. Saatchi's claims that this makes it the most co-ordinated marketing effort ever undertaken by a British company.

No one will be more aware of the risks involved than Saatchi in the light of the abrupt fate of its predecessors. The agency will be monitoring reaction around the world. "The hard fact about the last campaign," says Jim Harris, BA's new marketing head, "is that it didn't bring us in the bodies."

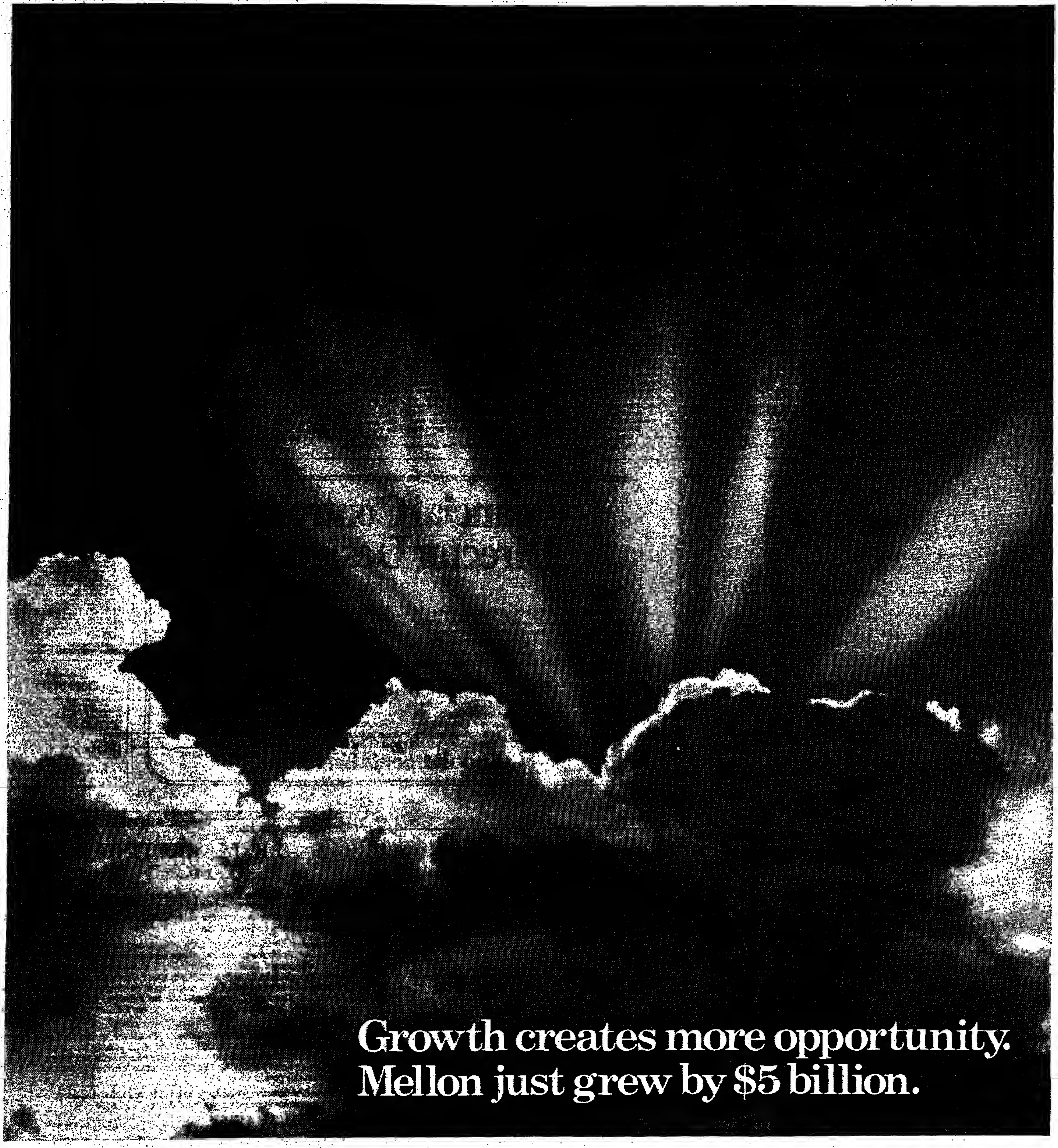
If passenger bookings pick up, we could be hearing lots more from Saatchi—the agency hopes it will have a five-, perhaps 10-year innings.

So what about the ads? Entertaining, humorous and in terms of special effects, sophisticated they certainly are. The initial six-minute burst shown on Sunday featured a Spielberg-style flying island (a la Close Encounters) with a voice-over explaining that BA flies more people across the Atlantic than the total population (1.2m) of Manhattan.

The follow-up trio of 60-second commercials show in various ways the angst caused when the wrong (ie not BA) airline ticket is issued. Hence the American football team going ape in the locker room; the Ingrid Bergman type character in the clever Casablanca spoof abusing "Bogey's" trilby; the great god Thor wreaking havoc in the heavens.

This contrasts with the final shots of the coolly confident film stars shown collecting their free BA tickets: Lord Olivier, Tony Curtis, Joan Collins, Omar Sharif and others who, by association, add a note of glamour and success to the concept of BA.

Of the campaign budget, upped a significant 25 per cent this year, 65 per cent will go on image building television commercials, with the remainder on posters and Press including international Press. Some Press ads will be tactical—focusing on specifics like Concorde, budget fares and special fly/drive deals. Sixty per cent of the budget will be spent overseas.




The merger of Mellon and Girard has created the 12th largest bank holding company in America, with assets exceeding $25 billion.

This follows the recent merger with one of America's leading mortgage bankers, Mortgage and Trust, Inc. (M&T) of Texas. These events represent a major advance along Mellon's strategic plan to make our services available to more people.

Mellon Bank and Girard Bank is an exceptional match. They share fundamental similarities: histories of service dating back more than 100 years; similar views of the future; a commitment to quality; profitable use of innovative technology; and outstanding people.

M&T, along with other Mellon affiliates, will become a more important factor in the burgeoning real estate markets of the Sun Belt.

Taken together, these actions will create greater opportunities than ever before for our customers, investors and employees.

**Opportunity for customers.** We believe that increasing competition in financial services is both inevitable and beneficial. The expanded resources, technology and experience of Mellon promise to benefit our customers. These resources will enable us not only to meet competition, but to create it through continually improving services and increasing values.

**Opportunity for investors.** The addition of the resources of Girard and M&T will result in a stronger corporate entity.

Technological and organizational integration, already in the planning stage, will lead to new efficiencies in systems and in services, laying the foundation for further expansion.

**Opportunity for employees.** The broader career paths open to all our employees, including our newest associates at Girard and M&T, will make it easier than ever to retain and develop our exceptional teams and to maintain our traditional high standards for recruitment. New and rewarding challenges will help us sharpen our competitive edge.

**Mellon Bank, along with Girard Bank, Mellon Bank International, Girard Bank Delaware, and Mellon Financial Services, is a subsidiary of Mellon National Corporation.**

**Mellon Bank**

# Management morals start with the customer

BY BOB RAMSEY

WHAT is the right moral approach to the human side of management in these days of increasing unemployment?

The Jobs Column's regular writer has suggested on various occasions that personnel managers have some special moral duty to protect the interests of employees, and has criticised those managers for not discharging it. But there is a fundamental point which I, as president of the Institute of Personnel Management, think he has overlooked.

All concerned with the problems of people at work are passing through a particularly hard time. Never before have they had to grapple with such conflicting pressures.

The survival needs of businesses seem to be at odds with the ethical considerations of employing people. Not only have the consequences of the recession to be handled, but also those of the technological revolutions taking place with microprocessors and robotics.

I do not believe that it is possible to be a successful manager unless one possesses a sound moral basis for one's decisions and actions, especially in today's conditions. At the same time, however, I don't believe that the pursuit of the sound business interests of an organisation is counterposed to a moral approach to the human aspects.

Indeed, some of the problems we have now arose from a confused morality on that point in the past.

The end of the war was followed by a fixation on the well-being of people doing jobs. It manifested itself in trades union pressures for better wages, working conditions and shorter hours, in resistance to change and in a whole set of inflexible working arrangements enshrined in local agreements.

Managements and Governments grappled with those pressures in a virtually perpetual sellers' market.

## Cavalier

The immorality of that post-war time lay in the cavalier disregard of the proper end purpose of all organised work: the provision of goods and services to other members of the community, whether at home or abroad. They were treated with nothing less than contempt in the industrial battles that took place over workers' conditions. That contempt led to the loss of customers' and investors' confidence in the United Kingdom.

I draw one clear lesson from those events. It is that morality in business must start with morality towards the customer. It is the satisfaction of customers' needs that provides employment. The whole gamut of progressive industrial relations policies and the like is only the means to that end; not an end in itself.

The distinction is crucial. Unless we in Britain make it, we have little hope of expanding employment in future. Service to the customer must become the highest moral aim.

The rest could then start to fall into place. For putting the interests of the customers first —and here of course I include public sector consumers such as hospital patients and commuters as well as private buyers—means providing them with the best quality goods and services at the lowest cost achievable, whether the cost be expressed in prices or the level of taxes and rates.

It is an aim that can be achieved only by individual dedication to one's work, acceptance of the most modern equipment and techniques, and elimination of all unnecessary jobs. It is incompatible with shoddy workmanship, time-wasting, restrictive practices and the preservation of non-jobs. The self-interest of the producer cannot be indulged at the expense of the customer.

Once such a course was set, a virtuous circle would be able to establish itself.

For a start, the community of customers—of which we all are members—would be well looked after. Pride in a good job done could reassert itself.

A clearly defined common objective would be shared by managers and other workers, which could be achieved only through willing co-operation. That would require that workers were accorded justice and dignity, kept fully informed and consulted, enabled to apply their expertise in the most effective way, provided with fair play and conditions, and treated as one team with no irrational distinction between members.

The provision of quality at the lower attainable cost to the customer would release prices, rates and taxes from propping up inefficiencies.

## Social needs

In the public sector it would make additional resources available for deployment to meet the social needs of the community, creating more real jobs in the process. In the private sector, more customers would be gained at home and overseas and imports could be reduced for the right reasons. The currency would be sound and investment rewarded and encouraged. New technology, new products and new businesses would follow.

No, this is not a fairy story. Our most successful competitors abroad and our most successful companies here have shown that a virtuous circle can be brought into being once the customer is placed first in the scale of business morality.

There is another important outcome, too. Britain is a very divided society, both politically and socially. There is a gaping lack of common objectives. But the concept and the practical provision of superb and economical service to hospital patients, commuters, car buyers, newspaper readers and so on could bridge ideological ravines.

No responsible politician of any party, no elected member of local or national institutions, no manager or trades unionist can sensiby argue that the ordinary citizen should have to accept poor service or to pay through the nose in order to preserve inefficiency at work.

That much should be sacred common ground, distinct from the traditional arguments about other economic and social questions such as ownership, which could continue. The common ground would enable managements and unions to agree on programmes for genuine employees involvement, and even wage-bargaining tactics could then be directed towards maximising employment opportunities.

But what about the recession of which we cannot see the end and the welter of technological advances whose consequences cannot be foreseen? How could morality towards the customer help with those problems?

First, we could certainly as a nation maximise our share of the world's markets and, therefore, our share of the world's jobs. We could be sure of joining in the emergence from recession when international economic conditions improve.

Second, we could maximise the generation of wealth in step with our principal competitors so as to earn ourselves the financial resources to plan and put into force whatever wider social measures might be necessary to counter long-term unemployment — worksharing and greater opportunities for leisure, for example.

Such measures would have to be taken in concert with the rest of the advanced world. But we'd be able to afford them. We could not do so if we continued to choose instead the vicious circle of short-sighted protection of immediate self-interest. That is most likely to land us under economic siege, with desirable social changes beyond our pocket.

In sum, if we really want prosperity and social advance, the key is acceptance by all of us that in the world of work morality is founded on serving the customer.

# THE ARTS

## The Rivals/Olivier

**Michael Coveney**

Peter Wood's revival of Sheridan's great comedy is everything we should expect of the National Theatre: sumptuous, elegant, sensitive, melancholic and very funny. It is almost as if the impact of late 18th-century Bath in all its glory had newly burst upon the young playwright, for John Gunter's design surely reflects Sheridan's heady two-year sojourn in the city five years before he wrote the play in 1775.

The great amphitheatrical fan of the Olivier becomes the Royal Crescent, pushing out through the parades and pleasant perspectives of abbey and balustraded facades to the transparent foliage of King's Mead Fields in the final scenes. On this phantasmagoria of grey are imposed solid stuccoed interiors, scaled-down terraces that are like giant, beautifully judged dolls' houses, and cluttered cubby holes where *Jack Absolute* takes his ease and Bob Acres gets fitted out for the duel.

Typical of the design finesse is the challenge scene, where Bob takes his cue by a billiard table and breaks it over his leg. He has just invoked Bottom's dream, and Tim Curry's wonderful performance of restrained swagger (the perfect complement to his Pirate King) builds towards its finest hour, his departure to the martial accompaniment of Dominic Muldowney's discreetly evocative music.

The night is alive with the sort of fire and brilliance I last associated with the National in its Old Vic days. The arranged marriage of Jack to Lydia Languish (Anne Louise Lambert) is in the hands of Michael Hordern's unrivalled Sir Anthony Absolute and Geraldine McEwan's surprising and freshly delightful Mrs Malaprop. This latter performance is on a par, where reclamation is concerned, with Judi Dench's Lady Bracknell. She is, for once (and why not?) on the right side of 50. She abuses the language with unwonted relish, trying the tortured phrases for size in an anguished gurgle before releasing them with deadly inaccuracy on a startled public. Michael Hordern then tests them for strength before despatching them with a defeated shrug to the stratosphere.

In this most beautifully written of plays, the exact inappropriateness of Mrs Malaprop's utterances shines with the same force as do her occasional felicities. This precision is apparent from the first scene when Barry James's Fag teases delicate comedy from his lines about wigs and fashion.

Lydia and *Julia* (Fiona Shaw) then follow with an inventive, light picking of their *first encounter* on the subject of literature, justifying Sir Anthony's suspicion of the *danger* to young gels of those circulating libraries.

Once Jack (Patrick Ryecart, *blond, dashing* and not *too* silly) knows thet Lydia, his beloved, is the livestock that comes with the estate, the scene is set for Sir Anthony'e great scene of unneeded persuasion. Michael Hordern raises this set-piece to a higher plane than that of mere surrogate lechery. He sings Lydia's praises and clasps the breakfast chair in a fit of remembered, and unrepeatable, passion. He darts looks of suave complicity as he lists her physical virtues and makes something sublimely indecent of the line about lying like a cucumber on a hot bed.

The romantic sub-plot of Faulkland and Julia is superbly and originally handled. Mr Wood and Edward Petherbridge as the secondary lover cleverly *skirting* the problem of sentimental excrescence by cutting some of the more awkward passages but, more importantly, presenting Faulkland as a sallow, insecure, convincingly lovelorn Scot. The farewell scene is in fact played not in Julia's lodgings but on the edge of the city, as a misfired geteway before the dénouement.

To know bow excellent is this revival will not involve you paying any attention to the rival production that is touring the country out of the Ashcroft, Croydon, where I saw it last week. A dull, unimaginative affair is relieved only by the odd grossness of Irene Handl as a more predictable Malaprop. Now and then she out-Malaprops Malaprop, re-writing the allegory on the banks of the Nile as an allimony, the aspersion upon her parts of speech as a nasturtium.

Miss McEwan allows herself one textual liberty et the end: men, she declares on exiting, are all Bavarians, not barbarians. But she knows that she is doing, as indeed do the whole of this outstanding cast that also includes Niall Buggy's inventive and sympathetic O'Trigger (you would not believe the coarseness of Norman Rossington at Croydon) and Sabina Franklyn's insinuatingly chipper maid. This is a glorious evening and I cannot hope to see the play better done.

Geraldine McEwan and Michael Hordern: a glorious evening

## Joyce Trisler Danscompany/Sadler's Wells

**Clement Crisp**

Joyce Trisler was an exceptional dancer, seen in London with the Alvin Ailey company in 1964. She was also a choreographer — her untimely death occurred in 1979 — and ber Danscompany (dreadful word) opened e week's season at the Wells on Tuesday night. Two of ber major works—*Dance for Six* and *Four Temperaments*—were on view in a first programme *framing* a *collection of* Ur-texts of American Modern Dance under the title *Spirit of Denishawn*.

Alastair Muir

A scene from "Four Temperaments"

A most musical dancer, Joyce Trisler was, on the evidence of these two choreographies, a musical creator, and the Hindemith *Temperaments* inspired emotionally bold duets which explore the bodily humours that are the music's argument. The inevitable comparison with Balanchine's masterwork to a score he commissioned is not unflattering: Miss Trisler's dances are clearly stated, and clearly understood by her company, with the passions and involvements of four couples revealed in movement that has a strong expressive drive.

The musical inspiration of Vivaldi's *La Cetra* string concerto, though, seemed far less compelling, and *Dance for Six* sits dry and uninteresting on its score; for all the willingness of the cast, I found the piece an arid, repetitious exercise.

*The Spirit of Denishawn* is a collection of dances made by Ruth St Denis and Ted Shawn between 1914 and 1931, when the ground-work of Modern Dance was being laid in America. As revived by Klarna Pinska, a member of the Denishawn company and school at this time, they are fascinating as museum-pieces, rather less so as theatre-works. They are radiantly naif. Girls in chitons and head-ache bands mickey-mouse across a sonata movement by Beethoven; scarves are waved by men and women; ghostly reminders of Isadora and La Loie are evoked in lady-like emotings to Brahms and Liszt; two perfectly terrible solos by Ted Shawn suggest his desire to assert a man's right to dance before a paying public, but are hilarious on any other terms.

What is lacking is everything save the still imaginative *Soaring* (five girls and a hillowing square of silk) is thet spirit proposed by the title. The magic presence of the dances' creators, the innocence of the age that first saw them, and the innocence of the eyes that enjoyed them, cannot be ours—we see not the spirit but the letter. And the letter killeth.

## Record review/Max Loppert

# Czech opera and a livelier look at Falstaff

**Janacek: The Excursions of Mr Broucek.** Pribyl, Jonasova, Svejda, Novak etc. Czech Philharmonic Orchestra and Chorus/Frantisek Jilek. Supraphon 1116 3291-3 (3 records).
**Smetana: Dalibor.** Pribyl, Depoltava, Zitek, Sormova, Horacek etc./Brno State Philharmonic Orchestra and Brno Janacek Opera Chorus/Vaclav Smetacek. Supraphon 1416 2921—3QG (3 records).
**Smetana: The Kiss.** Depoltava, Vodicka, Haken, Zitek, Marova etc. Brno Janacek Opera Orchestra and Chorus/Frantisek Vajnar. Supraphon 1416 3341-2 (3 records).
**Verdi: Falstaff.** Brunson, Nucci, Ricciarelli, Valentini Terrani, Hendricks, Gonzalez etc./Los Angeles Philharmonic Orchestra and LA Master Chorale/Carlo Maria Giulini. DG Digital 2741 020 (3 records), also on cassette.

Even in these days of widespread Janacek enthusiasm, *The Excursions of Mr Broucek* remains the one mature opera to have thus far resisted real international popularity. The existence of the ENO production (so successful on first showing, due for welcome revival this December) and the new Supraphon recording can perhaps be taken for tokens of an incipient reversal in the opera's fortunes. One would like to believe so, for this is a work that, once heard and seen casts a spell of musical and theatrical magic that proves irresistible.

It is easy to list and enumerate the obstacles in tha way of such a reversal. The libretto is a jagged, slightly incoherent piece of work—hardly surprising, given the *opera's long* period of gestation and the number of librettists involved at *different times in its* production. The two separate parts hang together on a simple, loose thread of fantasy: but those parts are of unequal interest. The satirical purpose of the moon excursion is not very trenchant, its targets being both obvious and indistinct.

The second part, the excursion into the 15th century and into a crucial passage of Czech religious history, is a noble tale of less than immediete significance to the non-native audience member. And the central figure, Mr Beetle (*as his name translates*), *supposedly* represents the common man at his most unworthy—a kind of Papageno gone elderly *and* bourgeois—yet sympathy for his slippery morality and self-satisfied, earthbound pronouncements is all too readily come by.

In fact, little of this was actually allowed to matter at the Coliseum; and even less seems to matter during any listening to the excellent Supraphon records. The music, strange, angular, unpredictable, is full of those bursts of Janácek radiance that win partisans for life. The first part evokes a quite special fascination — its opening, of a kind unlike anything else in Janácek, pictures a quiet Prague evening, conversation to the fore, orchestra lyrically underpinning the scene; and later, even in the more inconsequential lunar estapades, the charm and buoyancy of the score sweep everything before it.

The 15th century excursion doesn't avoid passing dry patches; but its assortment of offstage choirs, brass chorales and sudden impassioned vocal soles rises to spectacular majesty. By the end, the melange has created its own universe, recognisable, unrepeatably individual, and the traversal thereof, for all the bumps and stumbles on the way, has been an exhilarating experience.

This Broucek recording, second of the LP era, much more complete in text than the first, is admirably broad in its canvas of sound, stirringly played, and by Jilek conducted with a sense of the whole work that accommodates both its reflective and its vigorous sides. One may at first wonder whether the title role isn't perhaps an inappropriate assignment for a tenor, now senior but still bold and free of voice, such as Vilém Pribyl; hut as his *command* of the part reveals a happy sideline in comic understatement in addition to his more familiar (and still intact) virtues, the portrait is a delightfully rounded one. The multiple roles are in the main very successfully handled. The quandrilingual libretto booklet omits to print eections in Part 2 that are actually sung, with confusing result.

**'It is compromised by the recorded balance, which exiles the wind to the background'**

Pribyl is in more familiar vein as the titular hero of Smetana's heroic *Dalibor* — indeed, this is his second recording of it. Here, a certain dryness of timbre is now exposed, though the natural chivalry and poetry of his phrasing remain as winning as ever. Despite the presence of a Milada, Eva Depoltava, lacking the necessary Leonore ring and a Jitka, Nada Sormova, squally at most dynamic levels, this performance boasts impressive authority; but, more than by any of the singers, it is compromised by the recorded balance, which exiles the wind to the remote background and the choir to some echoey distance. As it could be argued that Smetana's handling of hie orchestra—his wonderfully lucent full ensemble, his rapturous employment of solo violin, cello, and horn—is the most vivid feature of the work, this amounts to a notable disadvantage.

People who love *Dalibor*—and even outside its homeland they are numerous—wax so eloquent about its greatness that I feel a brute and a dimwit for confessing, here once again as after the ENO production, to being bored by its long-windedness, its dramatic posturing and awkwardness, its monumentalised nobility. The "real" Smetana, for me, is the composer of folk-comedies, *demi-caractère* in their manners, Schubertian in their blend of merriment and melancholy. *The Kiss (Hubicka)*, after *Dalibor*, falls on the ears as manna in the desert.

It was written at a time of terrible suffering—the full onset of Smetana'e deafness—yet what one delights in, in Smetana's response to a very thin (and to modern sensibilities, lightly distasteful) plot, is the variousness of the moods, and the heart-easing melodiousness that funds them all. The recording suffers the same acoustical imbalance as *Dalibor*, to less damaging effect. It has charm, freshness, and in Depoltava a heroine much better fitted to her task than in the companion recording. Both box booklets are rich in deliciously inept translationese.

Giulini's somnolently reverent Covent Garden *Falstaff* was one of last year'e disappointments. The same production, taken "live" during its earlier phase of existence in Los Angeles, with almost exactly the same cast, evinces on the DG records rather more life. One may still hanker for a dash of zip and sparkle to lighten its moderate pace and lovingly didactic underlining of every Verdian felicity; one may still regret the unevenness of the casting (though Ricciarelli'e Alica sounds far more adroit and spontaneous than it did at the London first night); but the wholeness and thoughtfulness of Giulini'e view are here argued in orchestral playing of great beauty—a concept of the opera weighted to the reflective moment of Act 3 expresses there in most complete form its muted but undeniable mastery.

## Theatre in New York

**Frank Lipsius**

By the end of *The Man Who Had Three Arms*, Edward Albee has the lecturer who dominates the play rebuke the audience for being there. This is the *unavoidable* climax of a play comprised largely of a nonstop complaint *against being treated like a* freak. The lecturer'e malady, having bad an arm grow in the *middle of his back, does indeed* make him a freak. But it is clear that such a complaint stands in *for all forms of celebrity which* change people's lives.

Playwriting counts as a source of celebrity because the playwright, who also directs the production at the Lyceum, has written a work to respond to some deeply felt hatred of a life of fame. The complaint begins as having too much influence over people and too much ease at acquiring the perks of life; it ends with resentment for being forgotten when the source of celebrity disappears.

Fortunately, Robert Drivas as the lecturer who is called "Himself" in the programme, has had the third arm already wither when he lectures the civic club on whose podium be stands. There are enough unpleasant assaults on the audience without having to face the rebukes of a real freak. But Drivas just looks too normal to make his harangue strike home to an audience meant to be ashamed of inspiring his remark, "Do I *feel like e martyr? Yes, I guess* so."

After a long first act of self-pitying complaint about fame and its attendant loss of privacy, the lecturer has even more to say against being reduced to obscurity. From seeking the audience'a sympathy, he goes on to admit that he deserves no pity and wants nothing more to do with the people who made him famous.

An officious club president (Patricia Kilgarriff) and dottering old member (William Prince) share the stage, and provide the buman props for the lecturer's discussion of the relatives, doctors, priests and agents who made him who be is. The serviceable set by John Jensen looks like the wood-panelled auditorium of a respectahle public school. But it is also a constant reminder that a bare stage with only a lectern would have done just as well for what is the harely concealed anthor's venomous revenge on the nameless feces who made him famous.

All the innocence lost and trampled on in Albee's play is resurrected and aent effervescently aloft in the revival of Moss and Hart's 1936 award winning comedy, *You Can't Take It With You*, et the Plymouth. An all-star cast led by Jason Robards, James Coco and Elizabeth Wilson pnt the Sycamore family through its paces of e life of leisure ohlivions to the world round them.

Reality intrudes when daughter Alice falls in love with the scion of the stockbroking Kirby family, who came to meet the Sycamores as mother Penny (Miss Wilson) paints the handyman's portrait in a Roman senator's toga, father Paul (Jack Dodson) makes fireworks in the cellar, and sister Essie (Carol Androsky) dances for ber teacher, tha Russian emigré Kolenkhov (*Mr Coco*). *Richard* Woods as Mr Kirby Snr and Maureen Anderman as Allee manage to represent a semblance of worldliness without puncturing the zaniness assembled so buoyantly by director Ellis Rabh in the dignified New York townhouse designed by James Tilton.

References to income taxes, which the grandfather (Mr Robards) has failed to pay since their inception 24 years before, and being on the dole supposedly make the play topical today, but they are treated with such innocent fun and surprise that in tone alone they evoke a bygone era sadly missing from the life of Edward Alhee, if not the rest of the world.

## Saleroom

The Dickin Medal awarded for a homing pigeon's war-time services was sold *for £5,000*—£4,850 more than the estimated price — at Christie's yesterday. Tha buyer was Mr Louis *Mas*sarella of Loughborough, who acquired it for the Royal Pigeon Racing Association.

Also at Christie's yesterday, an early 20th century bronze group of a hronco buster on horseback was sold for £35,640 at a eale of important sculpture and *works* of art. The buyer was Bronzart, the New York dealer.

*A lete 19th century bronze* of Teucer by Hamo Thornycroft was bought by London dealer *Christopher Wood for £9,720* at the same sale. Tha auction realised e total of £154,845.

*A sale of jewels* at Christie'e New York on Tuesday totalled $5,002,415 (£3,269,552) with 10 per cent bought in. The top lot, *a bracelet with 12 ovsl yellow* diamonds mounted in platinum, was hought for *£467,320* by London dealer *Graff*.

At Sotheby's a sale of Old Master paintings totalled *£264,253* with 13 *per* cent unsold. "A portrait of a gentlemen" by Govaert Flinck, dated 1641, *was* sold for £14,300 to a Dutch private collector.

# Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

April 8–14

## Exhibitions

### WEST GERMANY

**Cologne,** Rautenstrauch-Joost Museum: The only German venue of an exhibition featuring 2,000 Mexican wooden dance and death masks. Also Pre-Columbian objects on loan from the Instituto Nacional de Antropologia e Historia in Mexico City. Ends May 15.

**Hamburg,** Kunsthalle, 1 Glockengiesserwall: Portraits from Martin Luther's times. *Ends April 24.*

**Bonn,** Städtisches Kunstmuseum, 7 Rathausgasse: 140 works by Paul Klee, *August Macke and Louis Moil*liet from a Tunisian trip which the three took together shortly before *the First World War.* Ends April 24.

**Cologne,** Kunsthalle, 1 Josef Haubrich Hof: Georges Rouault – 280 paintings, water colours, gouaches and graphics. Ends May 8.

**Hamburg,** Museum für Völkerkunde, 64 Rothenbaumchaussee: The Museum for Ethnology is showing arts and crafts from Guizhou (Southwest China). Ends April 30.

**Cologne,** Wallraf-Richartz-Museum, An der Rechtsschule: Irish art of three thousand years comprises virtually all Irish national treasures on loan from the Irish National Museum, Trinity College, Dublin, and Irish Academy of Sciences. Manuscripts, relics of Irish Saints and utensils from the workshop of Irish monasteries, silverware, and gold and silver jewellery. Ends June 2.

**Frankfurt,** Kunstverein, 44, Markt: Photographs, drawings and graphics by David Hockney underline his importance as Britain's foremost realistic painter. Ends April 24.

**Munich,** Kunstverein, 4 Galeriestraße: *City Jungle has 120 huge drawings* and photographs by eight contemporary Berlin artists showing the *desolate and brutal side of big city* life. Ends May 1.

**Berlin,** Staatliche Kunsthalle, 44-46 *Budapester Strasse:* The Other America – the everyday life of America's workers – and the cultural his*tory of* the American labour movement are traced with the help of 900 photographs, posters, leaflets and *paintings beginning* with the 18th century. Ends April 24.

**Hanover,** Kestner Gesellschaft, 16 Warmbüchenstrasse: *The complete* graphic work of Oskar Kokoschka, the Austrian expressionist, carefully guarded against *daylight* so as not to damage the delicate water colours and drawings. Ends May 15.

**Berlin,** Brauhaus Archiv, Klingelhöferstrasse: German paintings from the 1920s and 1930s on loan from Harvard University's Busch-Reisinger Museum. Ends April 17.

**Munich,** Lenbachhaus, 33 Luisenstrasse: More than 200 paintings by the Russian artist Alexej von Jawlensky (1864-1941), and 15 works of friends and contemporaries. Ends April 17.

### PARIS

**Giorgio di Chirico:** Beaubourg is showing some 100 paintings and 40 drawings by De Chirico, including the most important ensemble of his metaphysical work ever. Centre Georges Pompidou, Grande Galerie, 5th floor. (2771112). Closed Tue. Ends April 25.

**Claude Monet:** Homage is paid to his Giverny period with 45 of his paintings, including the nympheas, at the *Centre Culturel du Marais,* 28 Rue des Francs-Bourgeois (2773225). Closed Tue. Ends July 17th.

### LONDON

**Hayward Gallery:** Landscape in Britain 1850-1950. A lucky-dip of an exhibition rather than a close scholarly exercise, but none the less enjoyable for that. The good things are there to be discovered among the interestingly moderate and even sometimes rather awful greater part; and if some of the great names are not too well represented, Whistler and Sickert for exampla, enough of the more obscure are all the more in evidence, and on their very best behaviours, from minor pre-Raphaelites to fifties expres*sionists. Ends* April 17.

### VIENNA

**Palais Palffy:** Turkish weapons from the Zagreb historical museum as part of the celebrations for Turkish year in Vienna. The collection of armoury and weapons, many with individual and magical designs, shows development between the 15th and 19th centuries.

**Albertina:** Josef Danhauser, the Biedermeier painter (1805-1845) previously lost and now rediscovered.

### BRUSSELS

**Société Générale de Banque:** Art Nouveau to Today – 100 years of European glass. Ends May 20.

### NEW YORK

**Metropolitan Museum of Art:** Those overwhelmed by the sheer volume of art at the Vatican will much appreciate the present loan of 230 choice pieces, including the Apollo Belvedere, Caravaggio's The Deposition and even modern pieces by Matisse. Ends June 12.

**Whitney Museum:** *Films* and videotapes by 30 artists highlight the 62nd Biennnial for American artists, including Frank Stella and Jasper Johns among the 75 artists represented by 124 works. Ends May 22.

### WASHINGTON

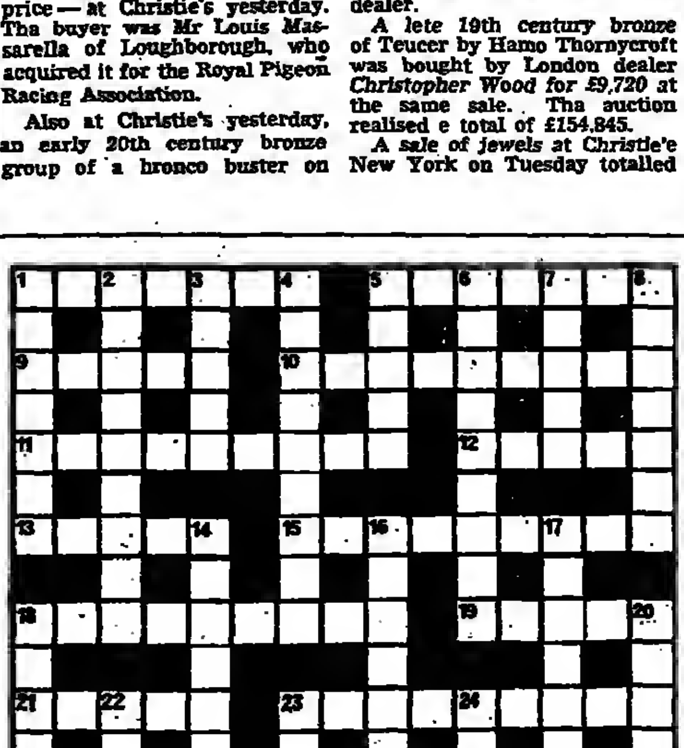
**National Gallery:** Seven major series by sculptor David Smith are represented in the 80 large works in welded metal included in the exhibit. Ends April 24 (3572700).

### CHICAGO

**Chicago Historical Society:** Besides a permanent collection with e visual *biography of Lincoln,* audio-visual account of the great fire and daily demonstrations of weaving and candlemaking, this regional institution has e special show of something Chicagoans must know well: cold-weather clothing over the last century. Ends May 1.

**Museum of Contemporary Art:** To complement the museum's self-appointed task of documenting American unschooled naif painters comes an exhibit of 47 unschooled German painters of the 20th century, among them Adalbert Trillhaase, the Bible-painting clerk who inspired Düsseldorf realists early this century. Ends May 22.

## F.T. CROSSWORD PUZZLE No. 5,146



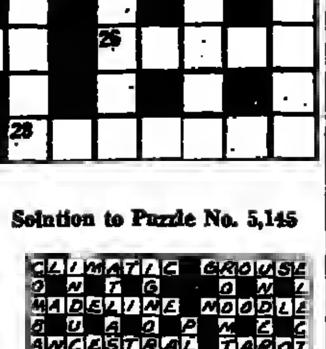
### ACROSS

1, 5 Today's concerns (7, 7)
9 Crossing in a haze. Brave? (5)
10 They occupy by keeping well down (9)
11 French building. Do enter! (Am excited) (5, 4)
12 Seen changing first class within. Follow? (5)
13 Banish English and the French round the side (5)
15 Very illuminating! (9)
18 Leaves little affected hy this (5, 4)
19 Describes feeble half of code? (5)
21 Language is the vehicle to one born (5)
23 Extends in favour of leaflets (9)
25 Supporter, middle-aged we hear and rife with insecurity (9)
26 A new one's all for changes (5)
27 Organised the Church's very large huts ... (7)
27 ...ee! Not on Sunday! (7)

### DOWN

1 He helped to shape modern art (7)
2 Refuting, on acting the goat? (9)
3 Abolish one in certain language (5)
4 Coin sat in collection for musician (9)
5 First and last on river (blue) (5)
6 Principal in destined surroundings is like a dunce (3-5)
7 A tide switches to get plans (5)
8 American, quiet in party, leads to conjecture (7)
14 Found free from doubt (9)
16 Wire diagram or broadcast (9)
17 Painting I can't swallow, yet it's edible (9)
18 Match is deuce! (7)
20 Covering for mother in shaky fashion? (7)
22 Fore-runner includes second showing (2-3)
23 Take them if you have them! (5)
24 Artist's offer is crazy (5)

Solution to Puzzle No. 5,145



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Thursday April 14 1983

# A message for the summit

AS HIS term of office draws to an end the Governor of the Bank of England, Lord Richardson, apparently feels able to be a little more outspoken than governors usually are. The message he delivered in Rome on Tuesday was all the more welcome on that account. He believes and hopes that we are entering a period of more stable exchange rates, and argues that we should make this an important policy objective internationally. Britain should, if possible, play its part as a participating member of the European Monetary System.

The Bank has for some years been arguing internally for a greater weight on the exchange rate as a measure of and a target for financial policy; so the Governor is expressing not only the natural feelings of a man who has had the most turbulent term of office in a generation.

What he says is founded on much thought and study in Threadneedle Street, and deserves close attention. Certainly Lord Richardson's clear sense of direction makes a telling contrast to the latest Congressional appearance of Mr Paul Volcker, his distinguished American opposite number. Mr Volcker was reduced to explaining away the recent bulges in the American monetary statistics, and trying to talk down interest rates.

The plain fact is that monetary targetry has achieved a sad record. Distortions caused by bank deregulation, the general move to floating interest rates, and the weakness of the commercial bond market (which has virtually vanished in the UK) have donimated the figures.

### *Embarrassment*

Mr Volcker's embarrassment this week only echoes that of the British Government not so long ago, when acute recession and a grossly over-valued exchange rate—both signs of monetary tightness—coincided with exploding monetary statistics. The distortions are endemic, but they are not yet understood; targetry in these circumstances is damaging when it is not downright impracticable.

We have argued for some years that the exchange markets give a more reliable measure of the monetary stance, and provide a more helpful target for policy, than any blend of divergent statistics. It is revealing because in the trade across the exchanges, supply and demand for any given currency are balanced minute by minute. It is helpful because the exchange rate, with its implications for competitiveness, carries a clear message to those who set prices for labour and goods.

What is just as important in the longer run, stability in real exchange rates—adjusted in an orderly way for relative inflation—makes it possible to plan with far less risks for business operations in an international market. This is especially true in the increasingly integrated market offered by the EEC.

This was some of the thinking which lay behind the Bretton Woods system and its disciplines; but as Sir Jeremy Morse reminded us this week, we abandoned that system because it collapsed under the strain of rapid, volatile and widely differing inflation rates. In such circumstances one cannot provide stability both in nominal and real terms; unpleasant choices have to be faced.

Even so, the wild fluctuations which we have seen in real rates during the decade of monetary deflation have not been helpful: like an emotionally unstable parent, they have inflicted pain without consistency.

### *Little achieved*

This experience is the strongest reason for the new emphasis on exchange rate stability as a desirable end in itself. At the same time, the worldwide decline in inflation makes it much more attainable. It should soon be possible to take a calmer view of inflation—watching it, as Sir Jeremy puts it, as a man watches his weight—and aim our policies at something more constructive.

These arguments are worth setting out in some detail because we are still a long way from an international consensus on this question. The aim was set out at the Versailles summit last year, but very little has been achieved since then. If Williamsburg is to do better, attention must be concentrated on means and not just ends.

It will be unfortunate if the Jurgensen report, which provides some technical ground rules for stabilising intervention in the curency markets, should dominate the discussions; for experience shows that stability cannot even be approached unless it is a central objective of financial policy as a whole. The EMS has been a useful discipline for its members, but its history shows that where policies remain divergent, no market apparatus can prevent crises.

We will approach world-wide stability if—and only if—Americain policy-makers and American markets can be persuaded to put a greater stress on the exchange rate as an objective and measure of domestic policy. We hope that every effort will be made to achieve some progress here; but realistically it is likely to take more than one speech—and more than one summit—to finish the job.

# A little cheer from Chicago

THE CHICAGO mayoral election was a race between two uninspiring candidates. It was fought with more than a hint of racialism on both sides. The outcome, therefore, cannot be a reason to cheer. That said, tha victory of Mr Harold Washington, the black Democratic candidate, has more positive implications for the life and politics of the U.S. than a Republican victory would have done.

If Mr Bernard Epton, the Republican, and a white, had come out on top, a black backlash, not just confined to Chicago, would have been possible or even probable. Black faith in the political mechanism of America, so painfully built up in the last decade or two, might have been destroyed.

Although racial violence has repeatedly erupted in the past few years, most notably in Miami, racial conflict has become much less explosive than in the 1950s and 1960s. Civil rights campaigns have helped blacks to play a part in the politics even of the deep south. Federal legislation has banned the discriminatory devices by which southern blacks were kept away from the polls.

### *Integration*

The results can readily be seen in a tabulation made by the Joint Centre for Political Studies in Washington, which shows that from 1972 to 1982, the number of black mayors in the U.S. increased from 86 to 223, the number of state legislators from 169 to 347, and the number of black members of the federal House of Representatives from 13 to 21.

Although U.S. society is still far removed from racial equality, those figures indicate a degree of integration which would have appeared unbelievable a generation ago. Cities with white majorities, such as Los Angeles and Newark, New Jersey, have elected black mayors; so have cities with black majorities such as Atlanta, Georgia, and Birmingham, Alabama, in the formerly "Jim Crow" deep south where blacks once tried to vote in peril of their lives.

Where standards of living are concerned, there also has been progress. Blacks still do suffer higher unemployment and deeper poverty than do whites, but some hopeful signs are to be seen. In the 1970s the purchasing power of blacks increased by 21 per cent, that of whites by 15 per cent. Differentials are narrowing, however slowly.

### *Defection*

Had Mr Washington been defeated, black America's faith in this slow process of integration would have been tested severely. That consideration, rather than the merits of the Democratic candidate, — the reason for preferring him to Mr. Epton.

The task that Mr Washington has undertaken is not easy. Besides facing a possible white backlash, he has undertaken to dismantle what is left of the political machine with which the late Mayor Richard Daley ran Chicago by graft and patronage from 1955 to 1976. That threat, as much as Mr Washington's colour, caused a wholesale defection of voters from the Democratic cause.

Everything now depends on whether Mr Washington rises to his task. Great tact will be needed, especially with the appointments he makes, to prevent painful conflicts arising from white fears and black hopes raised by his election. His own record and that of Chicago inspire little confidence in his chances, but stranger things have happened in American politics.

U.S. INDUSTRY

# A renaissance in the making

By Christopher Lorenz, Management Editor

THANKS to the initiative of a group of shop floor workers at a Ford assembly plant in Louisville, Kentucky, reject rates on the fitting of bonnets, bumpers and other bits of "front-end sheet metal," as the industry calls them, were cut from one-in-60 to one-in-18,000 in just eight months.

● At General Motors' revamped Cadillac engine factory in the Detroit suburb of Livonia, executives no longer have their own parking and dining areas. On the shop floor, too, demarcation lines have been slashed, and complex job and pay classification systems abandoned.

● Fifty miles away in the town of Flint, management has cut inventories by over 40 per cent in the last three years, and in some assemby operations by a factor of 10. The traditional American practice of stockpiling inventory "just in case" has been replaced by the tight Japanese discipline of taking parts deliveries from reliable suppliers "just in time" for manufacture.

Like so many "Japanese" management practices, Toyota, Nissan and the rest actually borrowed the approach from the U.S.—in this case from an ill-fated experiment which the legendary Henry Ford tried in his Rouge River Model T factory before World War One. Now, as with other attitudes and techniques, America is reversing the borrowing process.

All over the U.S. there are similar signs that a manufacturing renaissance is getting under way. From GE's locomotive plant in Erie, Pennsylvania, to Cummins Engine's innovations in workforce management and product design, evidence is growing that, at the eleventh hour, America is beginning to match the excellence of Japanese manufacturing.

The renaissance is fragile, and could still founder on widespread managerial unwillingness to make all the painful changes that are necessary. But with continued improvement in production management—and especially a more creative integration of the workforce into the production process—there is now a chance that U.S. industry can regain its competitiveness, both at home and abroad.

Such is the optimistic thesis of "Industrial Renaissance," a forceful new book by three academics at the Harvard Business School, which will be published next month*.

It was only in 1980 that one of its authors, William Abernathy, attracted widespread publicity when he and his Harvard colleague Robert Hayes alleged in a prize-winning article called "Managing Our Way to Economic Decline" that U.S. industry had been failing for years to exploit technology and production as effectively as Europe or Japan.

As "Industrial Renaissance" shows all too starkly, a yawning gap still has to be closed between the U.S. and Japan, in terms of both product quality and cost. But Detroit's response to the overseas challenge has been sufficient in the last three years to prompt Abernathy to disassociate himself from predictions of "The decline and fall of the American automobile industry"—the title of a racy new book which is selling well.

But the significance of "Industrial Renaissance" (written with Kim Clark and Alan Kantrow) extends far beyond the remarkable possibility of a U.S. motor industry revival. For it challenges one of the most fundamental and influential theories about business, on which companies and governments all over the world have based so much of their policy-making since the mid-1970s: that, like the human body, all industries go through an inexorable "life-cycle" of maturity and decay.

Instead of following tha current fashion of consigning whole sectors to the dustbin category of "sunset industries"—or "dead ducks," to dispense with euphemism—Abernathy, Clark and Kantrow suggest that companies and governments should recognise that the cycle can be reversed in certain cases, providing the right conditions exist, and that management takes the requisite actions. The book itself does not specify how many other sectors might fall into this category, along with cars, but since it was written Abernathy has added steel, textiles and even shoes to the list.

To describe the process of reversal, Abernathy and Co have invented the ungainly but evocative word "de-maturity."

Even before Detroit began to put its house in order in the very late 1970s, they argue, the world motor industry had been thrown into a process of instability and de-maturity by the interplay of a series of factors: "environmental" pressures, in the widest sense of the word (oil prices, government regulations, etc); technological innovation (in "clusters" of incremental changes, rather than radical ones); marketing innovation by the Japanese and Europeans (particularly the creation of new market segments, such as for small cars); and Japan's development of a whole new dimension in production management.

In as succinct an exposition as their summary of the stages through which American manufacturing in general has moved since the late eighteenth century — when Eli Whitney, inventor of the cotton gin, set up a flow line for the production of muskets — Abernathy, Clark and Kantrow show how the U.S. motor industry evolved towards one dominant design by the 1940s: the large, heavy, rear wheel driven "roadcruiser."

It remained the dominant design for several decades. But then came the oil crisis of 1973-74, the European import invasion, and Japan's remarkable leap forward in product quality and marketing sophistication. As a result, "a market that had once been oriented towards smoothnes of ride, passenger comfort, luxury, quiet and large size has been transformed into a market concerned about quality of construction and reliability of operation in cars of all sizes," say Abernathy and his co-authors.

So great are the implications of this shift for established design concepts and technologies, they argue, that the U.S. manufacturers cannot profitably respond by "downsizing" their existing designs — as they vainly attempted to do in the early 1930s and again in the 1960s. "Only through new technical concepts and manufacturing objectives" can they succeed.

"The automobile in demand in the early 1980s is . . . not an extension or refinement of the all-purpose roadcruiser of past decades but a different product altogether. True, it still has four wheels, an engine, and a steering wheel, but the guts of the car — its materials, engine, electronics and the like — have changed dramatically."

So too, has the ground on which the industry competes, say the authors. What a producer needs to be good at today is not at all what was required two decades ago. Fuelled by the internationalisation of the industry, which is itself bound up with all the pressures of fuel costs, global economics and so forth, "evolving market preferences have radically altered long-established relationships among price, cost and size. They have also reopened the technical solutions that worked so well while those old relationships held."

It is a sharp increase in the diversity of these technical solutions which, together with all the other pressures, has "thrown the structure of the industry into turmoil," and pushed it into a process of "de-maturity," says Abernathy, Clark and Kantrow.

But this does not mean that the new solutions are radical innovations, they argue.

All this demonstrates that the current ferment in the industry is not just a transitory phase of adjustment, says the Harvard team, "but the outward sign of a production system being shaken to its foundations."

To criticism that the book exaggerates the dimensions of this upheaval by failing to question how an industry can go "de-mature" in a mature market, Abernathy retorts that even if overall car demand were mature—which he denies—the point is that the industry has moved sharply away from a position of maturity in individual market segments. Not only are new segments being created, and growing fast, but there is violent instability between them and the old segments.

In reply to the allegation that the book might have come to a less dramatic conclusion if it had focused on tha European motor industry, rather than the U.S., Abernathy admits that Europe had not progressed as far through its "life cycle" as the American.

But this does not mean that it, too, has not entered a state of de-maturity, he argues—as evidenced by such things as the surprising growth of the very small car market, the apparent revival of BL, and the innovative response of Ford and other companies to the Japanese onslaught.

To the question of how far de-maturity is occurring in other supposedly "mature" industries, Abernathy points to the impact of air jet looms on the textile industry (both machinery and fabrics), the positive impact of new technology on a number of steel makers who seemed doomed just a few years ago, and the revolutionary effect in the whole footwear market of the trend towards jogging and other leisure shoes.

"Industrial Renaissance" will give added heart to managers who are fighting against the abandonment of apparently mateur businesses; the supposed "dogs" of the corporate portfolio—it will reinforce the "back to basics" brigade. In civil service and government, it will provide an awkward antidote to the argument that the only industries worth supporting are the new ones. "Sunrise" industries need not be confined to electronics, information technology and biotechnology. In other words—give the old a chance.

* Published in the U.S. on May 12 by Basic Books, 10 East St., New York, New York 10022. Price $19.00. ISBN 0 465 03254-0.

'The Japanese example is stirring U.S. industry into new life'

## WHERE JAPAN SCORES

JAPAN'S competitive advantage over the U.S. in productivity, cost and quality is not, as commanly supposed, the result of "prodigal use of plants and machines that are newer and thus more efficient," argues "Industrial Renaissance."

If, instead of counting the number of robots installed in Japan as a whole (in any case, the U.S. is catching up), you compare factories making similar products, you find "not newer technology, but better management of the technology in place—a sober mastery of manufacturing."

At Toyota's 15-year-old Kamigo engine plant, for example, they found tooling which was not nearly as modern as in Detroit's most advanced factory, which had "elegant systems for the laser inspection of machined parts, complex control systems for machine tools," and so on. Yet Kamigo used about half as many labour hours to make an engine.

"The productivity difference was real": the two plants produced roughly the same number of parts in-house, with neither relying extensively on suppliers. The authors conclude that Japan's "secret" is to manage manufacturing by stressing not volume, like the U.S., but quality—"of process as well as of product."

**TELERATE**

*Telerate, the New York-based financial information company was founded 14 years ago, and not five as stated on this page in yesterday's FT. The company is currently installing about 200 terminals a month in the U.S., and not 2,000 as stated and has some 190 employes not 90. These errors were caused by transmission problems between New York and London.*

# Men & Matters

## Down goes

Sir Alastair Down, the man who put the Burmah oil group back on its feet after a financial crisis in the 1970s, is to retire as chairman in June.

"Without him, Burmah would not be around today," says deputy chairman John Maltby, the ex-Shell executive who joined Burmah from the Panocean-Anco shipping group in 1980, and who will now succeed to the top post.

Down, aged 68, was a deputy chairman of British Petroleum when he answered Burmah's call for help after disastrous tanker operations brought it to the verge of collapse.

He joined the group as chairman and chief executive in 1975. From then on, he instigated a string of disposals—including valuable North Sea oil assets—while striving to maintain morale in tha much slimmed-down corporation.

Down's management partner in the rescue, Stanley Wilson, retired last year, after taking over the rule of chief executive in 1980.

Now that Down has decided to call it a day, Maltby says that Burmah's staff may well discern a change of management style. "When you have two top people like that leaving a company there are bound to be differences."

But he sees no reason why the recently-evolved corporate strategy should be changed. This puts emphasis on five main business sectors: exploration and production, lubrication and fuels, retailing and distribution, shipping, and speciality chemicals.

There have been persistent City rumours that Burmah could soon be the target of a take-over bid. But Maltby says flatly: "We have no evidence of anything."

"If the Aitkens make a go of TV-am, I suppose they'll go into newspapers next."

## No account

Some men are just not cut out to be bank robbers. Police in Swansea, Massachusetts, report that Paul Bernier, aged 32, entered a local bank carrying a toy gun and demanded money from a teller.

"I don't have any," the teller replied, and Bernier promptly fainted.

Police who picked up the unconscious man found his getaway car nearby—with the keys locked inside.

## Colour story

Top brass of Norsk Hydro, the 51 per cent Norwegian government-owned energy to metals group, were in London yesterday to kick off a round-Europe trip to talk about their latest results.

Modesty is a basic currency in Norwegian life and the executives were handing round copies of the latest annual report with some embarrassment. It features front-page photographs skilfully worked into steeply rising graphs of sectors of the business. "Colours are too bright," said one senior man. "Rather a brash presentation, I'm afraid," said another.

Norsk Hydro shares have leaped more than 20 per cent on the Oslo stock exchange this week with the Paris market following closely.

Why the sudden market enthusiasm, I asked Odd Narud, Norsk Hydro's president? While the group's turnover in 1982 at nearly £2bn was 17 per cent up on the previous year the operating profit at £254m was slightly down. Narud offered three reasons for the market activity—worries about continuity of oil supplies from the Gulf, oil prices, and rising petrochemicals prices.

An earthier explanation is that Oslo and Paris punters had an early tip that the Norsk Hydro report would appear in its new format with a bullish and glorious cover in many colours.

## Cash prizes

Aspiring financial wizards looking for a billet with opportunities should look towards BICC. The near-£2bn a year turnover cables giant is placing much emphasis upon managers with financial skills under the executive chairmanship of Lord Pennock, formerly deputy chairman of ICI.

BICC recently lost its finance director Michael Julien, aged 44, to the main board of Midland Bank. He is being replaced by an even younger financial man John Martyn, aged 38, who has won his spurs as finance director of BICC Cables while it has gone through a tough reorganisation.

Although Pennock graduated in history he is frank about his preference for young men with financial skills as managers "to get a financial tighiness in the organisation and to use the financial function to push things on."

Martyn joined Ford as a graduate trainee after Exeter university and almost at once was made financial analyst on the central supply staff. He moved up the Ford management ladder to become operations controller of the Halewood body and assembly plants.

## Oatmeal

Portugal's farmers should find themselves quite at home among the idiosyncracies of the EEC's common agricultural policy when the time comes.

After a long drought left livestock breeders short of fodder, the country's grain monopoly, EPAC, offered to provide them with oats at less than market price.

The oats were to be dyed blue to prevent anyone reselling them at a profit.

A bright idea, it seemed—until it turned out that EPAC had next to no oats, blue or otherwise, to give farmers who diligently filled in the innumerable forms that are the essence of trading with the corporation.

One farmer, requiring a monthly quota of 15 tonnes of oats, nagged EPAC for his drought supply, however, until it came up with a solution.

It bought the farmer's own crop of oats at Es11.90 a kilo, painted 15 tonnes of them blue, and sold him back his quota at Es8.3 a kilo.

## Sorely pressed

The constant ferment within the Common Market seems to have produced some good.

A reader reports that after enjoying a bottle of German wine, called Alter Weinkeller, he noticed the label proclaimed in English that it was a "Blend of wines from difficult countries of the European Community."

**Observer**

ECONOMIC VIEWPOINT

# A genuine recovery, but . . .

By Samuel Brittan

TALK OF UPTURN is in the air. It has been set off in Britain by a favourable CBI survey, a Stock Exchange rise common to most of the bourses of the world and, most recently, the resurgence of sterling which has raised expectations of lower interest rates.

The basic force at work seems to have been a modest but discernible world upturn, which has been amplified in Britain's case by a major improvement in competitiveness, as a result of the fall in sterling since last November. The hope must be that sterling will not be allowed to recover more than a small part of the ground it has lost and that the benefit of any pro-sterling sentiment will be taken in the form of lower interest rates.

In New York, London and Tokyo equity indices have been at or near record levels. When adjusted for inflation the performance does not look so good: the real value of the indices is considerably less than a decade ago. American studies suggest that corporate assets are still being valued at only 60 or 70 per cent of replacement costs. Nevertheless, the trend is upwards.

The official U.S. economic forecast for GDP growth (end 1983 on end 1982) has been raised from 3.1 to 4.7 per cent; but there is a great deal of argument on the exact prospects. Both the monetarists and the fiscalists (who emphasise the Budget) are convinced that the U.S. is rushing headlong into an inflationary boom on account of the rapid growth of the money supply and Budget deficit (now over $200bn) respectively.

## Forecast of 1½% world growth may err on the cautious side

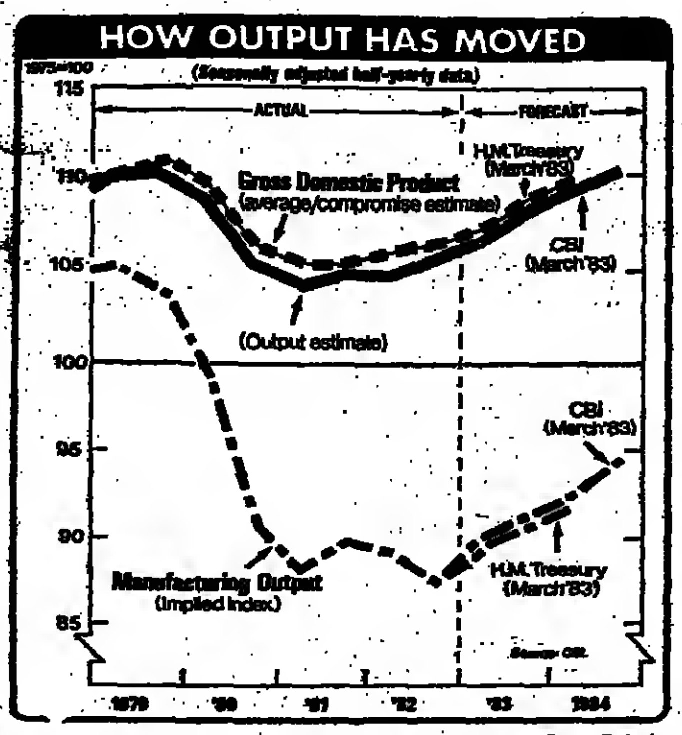
The financial community is more sceptical, particularly Henry Kaufmann of Solomon Brothers, who emphasises factors such as the disappointing February retail sales and employment figures, or the way in which financial changes have disturbed the leading indicators as well as the money supply. The smoke signals coming from the Fed suggest that the majority on the Open Market Committee are still giving priority to interest rate objectives and will leave the money supply to run on a bit, before deciding whether its behaviour has inflationary implications.

There has also been slightly more cheerful news from Germany where business expectations have turned upwards. The puzzle has been Japan, where, in spite of the high level of the stock exchange and the undervaluation of the yen, business sentiment and leading indicators are both extremely gloomy — perhaps a reaction to the growth of protectionist forces in export markets. The most genuine doubt is about the pace of recovery in the Third World where a number of major international debtors will be engaged in retrenchment in return for rescheduling arrangements from the banks and the IMF.

On balance, however, the British Treasury forecast of 1½ per cent growth in 1983 in the main six industrial countries apart from the UK probably errs on the cautious side and the acceleration to 3½ per cent expected for 1984 may be brought forward into this year.

Because forecasts of an upturn a year ago this time proved premature both for the world and the UK, there is greater hesitation about such forecasts today. All that last year's experience shows, however, is that forecasting is difficult, not that errors will always be in the same direction. Of course there are risks. Something could go wrong in rescheduling debts of the less developed countries; and U.S. interest rates could take off again. But the odds are that the recovery will continue. There is plenty in the character of the recovery to provide material for the Cassandras without doubting its nature.

The most specific evidence of UK recovery comes from building starts, retail sales and the CBI survey. The latter shows a positive balance of 18 per cent of companies expecting output to rise rather than fall — the highest since 1979. There is now an almost-even balance between the number of companies with "normal" and "below normal" order books compared with a big majority of "below normal" around the turn of the year. The 12 per cent balance of companies with "excessive" stocks of finished goods is less than at any time since November 1979. This suggests that destocking — which far more than imports accounted for the failure of output to grow in line with final demand last year — may now be dwindling away.



Brana Radovic

Far and away the most important reason why the UK has changed from being a laggard to a leader (from a very low base) in world economic growth has been the depreciation of sterling. The fall since last autumn's high point has been about nearly 12 per cent, almost as large as the 1967 devaluation of sterling which Sir Harold Wilson went through such agonies to avoid.

It is uncertainty on the exchange rate front which is as much as anything else making British businessmen so cautious about long-term expansion and more inclined to use surplus profits for acquisitions than for new ventures. Having seen 40 per cent swings within two or three years in the real exchange rate for both sterling and the dollar (and these are best seen separately rather than put together in the highly misleading sterling-dollar rate) many of them are too shell-shocked to take a gamble on the rate staying where it is.

The biggest help the Government could give the business community would be to recognise that the present sterling trade weighted average is as good as it could hope to be in an imperfect world. If it fell much lower, inflation would gain a new impetus. If it "recovered" very much more, the recent gain in competitiveness would be put in jeopardy.

It is no help at all for Sir Geoffrey Howe to make speeches decrying increases in competitiveness won through depreciation. Of course it is true that a falling exchange rate only improves competitiveness "so long as people are prepared to accept the lower real wages and lower living standards that result from the higher cost of imports and greater amounts we have to export to pay for them." I seem to remember Mr Callaghan using a similar Treasury sentence when Chancellor to persuade us that devaluation was no soft option. ("lower" in this Treasury brief means "lower than they otherwise would be," not necessarily "falling"; and the loss for those at work may be more than balanced by greater employment for the workforce as a whole). But in the disequilibrium state of affairs which prevailed last autumn, it was surely easier to trim real wages by letting sterling go than by depressing nominal wages even further. Considering that Sir Geoffrey has just presided over a major devaluation, why should he score an own goal by debunking its advantages?

The exchange rate policy requirement is not for masses of intervention, nor any fancy international arrangement, but a willingness to let interest rates fall when sterling shows signs of rising, and an equal willingness to let interest rates rise when sterling is weakening. This is not a recipe for all countries at all times (an exchange rate target makes no sense for the world as a whole). The final objective of financial policy should be to secure as stable as possible a growth of Money GDP (or "nominal income", as Lord Richardson, who has given the notion a welcome in his speech in Rome, prefers to call it). An exchange rate objective is merely the best intermediate target for the UK in the present world conjuncture.

The limitations of the forecast UK recovery are illustrated in the chart. The CBI's predicted recovery path (which is closely in line with the Treasury's) shows real GDP in 1984 still ½ per cent below the previous peak of 1979. For various reasons of a statistical kind the actual outcome is likely to be slightly above rather than slightly below; but it will still mean a negligible increase in total output over the quinquennium, insufficient to absorb the increase in productivity which has taken place.

Some commentators would stress the much more depressed picture for manufacturing. Even after its recovery, manufacturing in 1984 is likely to be about 10 per cent below its 1979 peak, which was itself about 4 per cent less than the earlier peak of 1973. But a shift from manufacturing to services need not be a source of complaint, if it is in line with changes in the pattern of demand and in Britain's international comparative advantage. The problem arises because the growth of total output — irrespective of whether it is manufacturing or services—has not been sufficient to absorb the unemployed.

American economists have a convenient expression, "growth recession" for an upturn which is not enough to make inroads on unemployment and unused capacity. It is the growth recession and not just the fall in output which will have to be reversed for any British recovery worthy of the name.

The Treasury forecast shows UK real GDP rising by 2¼ per cent per annum from the first half of 1983 onwards. Unpublished Treasury estimates suggest that unemployment might level off around or before the turn of the year. Allowing for demographic factors, there is an implied productivity increase for the whole economy of not much more than 2 per cent. This is probably too low; and total output might well have to rise by 3 to 4 per cent per annum to bring about a decisive reversal in unemployment. This could first happen, but Whitehall professionals are unwilling to revise their forecasts upwards until they have a longer series of industrial production figures. For the Government to go to the country in June, nearly a year before it has to and before developments in the real economy are clear, would be a kind of cheating.

It would look like cut and run while inflation was at a temporary low; and it would represent a return to the old kind of politics of seizing a temporary economic advantage to entice the voter into re-electing Governments before they have given the matter too much thought. My guess is that such a gambit would be rumbled by the electorate.

## Going to the country in June would look like cut and run

Even the most tentative and preliminary economic judgments of the Thatcher Experiment will not be possible until five years after it started. The one excuse for an early election—sterling weakened by political uncertainties—is not now present. The political parties should use the extra time to devise policies for pricing people into work, on a greater scale than anything now contemplated.

Lombard

# The re-shaping of German steel

By James Buchan in Bonn

THE RESCUE plan for the West German steel industry, unveiled by three independent "moderators" one cold January day in Dusseldorf, was so German in its conception, so far-sighted, elegant and theoretical that it looked doomed even as the wraps were taken off.

In proposing the merger of the big five into two balanced groups, it was German; for it preserved a measure of competition while, in promising to maintain all the current steelmaking sites in the country, it gave a nod to the social component of West Germany's "social market economy."

It was far-sighted because it looked beyond a cyclical recovery to save the big five and the smaller companies from bleeding to death after eight sick years.

The answer said the three moderators, was not the subsidised romper room of other west European industries, nor such short-term measures as short-time, switching off units, price-cutting or adjusting production. The answer was to combine the best and to shut down the worst and thus secure jobs for the long-term.

It was elegant because it divided West Germany into the six wide-strip mills that make the steel coils for car bodies and other flat products, and then built two groups to control three mills each: Thyssen and Krupp Stahl on the Rhine on the one hand, on the other the more scattered combination of Hoesch, Kloeckner-Werke and the state-owned Salzgitter.

It was theoretical because it skirted the geographical disadvantages of the second group, the "Ruhr group." It was vague about the jobs that would be cut and where and it seemed to ignore the human factor. "The real problem," said one banker, "is that each group can have only one chief executive."

The chewed-up remains of the moderators' plan, served up in Brussels just in time to miss the European Commission's deadline, is not very appetising.

Thyssen and Krupp are still talking to each other, although the merger may yet fail over the process known as "putting the Krupp boys through the mangle." This is the valuation of assets needed to determine Krupp's minority stake and it was the point on which Ruhrstahl, a merger of Krupp and Hoesch, broke down last year.

The prospect of a single group with more than a third of West Germany's working crude steel capacity looks a good deal less attractive now that the Ruhr group has dwindled to a vague promise by Hoesch and Salzgitter to co-operate.

The Ruhr group always looked less promising but with Hoesch strong in cash and weak in technology, Kloeckner the other way round and state-owned Salzgitter at Bonn's bidding, surely they might have found a bit more in common?

Then comes the human factor. The pressure from Bonn was intermittent because Count Otto Lambsdorf, the economics minister, was fighting for his party's survival in parliament at the March 6 election. His colleagues in the land governments seemed solely interested in keeping capacity cuts away from their boundaries, while the worker representatives on the supervisory boards were not to decide anything without a commitment on jobs. In these conditions, one need not blame the steel managers for using up much of their allotted time expanding on the deplorable personal habits of their competitors and their junky production units.

The authors of the plan have now returned to the real worlds of banking and insurance from which they emerged. There are signs of economic recovery. This will raise production, support prices and may provide reasonable profits. But when it passes, the losses will return. The search for new capital, which has already taken Kloeckner all the way to CRA in Australia, will eventually double back to Bonn.

The betting in the Ruhr is for a single steel concern as early as the 1990s, as costly subsidised as any in western Europe and with only one chief executive. Only nobody will want the job.

# Letters to the Editor

## An industry set to build up the workforces

From Dr S. Aries

Sir,—I don't believe that your publication has indicated to its readers that the chemical and allied industries, and particularly biotechnology, differentiate themselves from other high technology industries, as they are not labour-orientated, and preserve jobs in the U.S. and elsewhere.

Industries which have high labour costs such as textile mills, automobile assembly lines, TV sets, home computers and video games can take advantage of lower wages abroad, whereas biotechnology will depend on raw materials, skills and closeness to markets, and thus cannot be exported for manufacture, assembly or packaging.

In 1980, the chemical and allied products industries in the U.S. shipped $161.6bn on which the value added was $73.3bn. This was accomplished with only 1.107m workers or an output over $150,000 per worker. Current employment is 1.078 workers in the entire $180bn shipments chemical industry, including $20bn of "biotechnology."

There should be no incentive to use lower wages for biotechnology which has been estimated to amount to sales of $100bn in 1995 and to use 500,000 workers. I cannot foresee how much labour can move offshore. According to a Chemists' Club Symposium on March 4, some of this future biotechnology may be under Japanese licences (including power alcohol) but 5 per cent of sales is a small fee to keep chemical engineering know-how, labour and manufacturing in the U.S., contrary to the Toyota and GM deal, which indicates that GM may have failed in developing a similar car (to the shame of its R&D expenditures) and is an "invasion" very similar to the one of some U.S. drug companies in Europe a generation ago.

What will be good for biotechnology companies in the U.S. will be the ability to preserve manufacturing units and jobs in the 50 states, Puerto Rico and the Virgin Islands. This is where the chemical process industries excel, contrary to the mechanical and assembly ones.

(Dr) Robert S. Aries.
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New York 10165.

## Resources for poor countries

From Mr D. Roy

Sir,—The Americans have a point over the proposed World Bank loan to Hungary. The international comparisons project (which is sponsored by, among others, the World Bank and includes Hungary among its benchmark economies) estimated that in 1975 Hungarian gross domestic product per head was roughly $3,500 at international prices (their term "international dollars"). This was higher than for the Republic of Ireland and roughly 75-80 per cent above the world average.

Since then, according to the International Monetary Fund's International Financial Statistics, gross domestic product per head there has continued to rise. A rough extrapolative calculation (with an error of up to 10 per cent) would suggest that, by now, Hungarian GDP per head is about twice the world average, is equivalent to that of Italy or Spain and, given a continuation of present policies in both countries, will exceed that of the United Kingdom within two or three years.

It seems to me that there is a strong case for an international agreement to phase out World Bank lending and all forms of concessional assistance to all countries with income/product per head substantially above the world average. This would free resources to help genuinely poor countries in Africa, South Asia and elsewhere. The appropriate body to deal with the financing problems of relatively rich countries is surely the International Monetary Fund.

Donald Roy.
Flat 2,
56A, Haslewell Road, SW15.

## Peace in the Middle East

From Dr D. Seddon

Sir,—Amid the welter of commentary on the breakdown of the so-called peace initiatives in the Middle East your leader (April 12) stood out as clear-sighted and realistic. As you pointed out, the fatal weakness in the Reagan plan was not the influence of the PLO hardliners but the unpreparedness of the U.S. to put sufficient pressure on Israel to ensure a freeze on its massive programme of urban construction and settlement on the West Bank.

Without such a freeze, and at least partial withdrawal of Israeli residents from the areas currently under military occupation, there was never any hope of proceeding further. The Israeli Government made its position absolutely clear in rejecting the plan; the PNC conference, while taking a broadly negative view of the plan nevertheless left the door open and were prepared to consider negotiation on their behalf by King Hussein. But in the absence of any sign of pressure on Begin by Reagan it is not surprising that the PLO eventually lost patience.

If the Reagan Administration cannot, very soon, find the commitment to its own "peace proposals" to ensure an increase in pressure on the Israeli Government, then there can be very little doubt but that the strategy of the so-called "hardliners" within the PLO, notably Dr George Habbash's PFLP, will command ever greater support among the Palestinians. If this takes place, and negotiations give way to the armed struggle once again, then—as you suggested—President Reagan must bear much of the blame.

(Dr) David Seddon.
School of Development Studies,
University of East Anglia,
Norwich.

## A Brazilian warning

From Mr M. El-Erian

Sir,—I refer to your editorial, "A Brazilian warning" (April 8), in which you state "From the point of view of debt management it is difficult to accept the relevance of the barter deal . . ." as "barter trade provides no foreign exchange required for debt service" and ". . . diverts potential exports that might otherwise be available for export against hard currency."

It should be noted however that, in the case of Brazilian oil trade, the barter arrangement would be associated with a saving of foreign exchange which would then be available for contractual debt service payments. Moreover, it may result in net export additionally in the present context of weak "south-south" trading relations and unfavourable "Northern" external demand conditions. In such conditions, it cannot be assumed that conventional exporting policy is sufficient to secure foreign exchange earnings.

Mohamed A. El-Erian.
St Antony's College,
Oxford.

## Lead additives in petrol

From the Chairman,
Campaign for Lead-free Air

Sir,—David Fishlock (April 11) is incorrect to say that the three Exchequer-financed studies on lead and intelligence have "damaged the campaign for the abolition of lead additives from petrol."

In fact, at their Press conference after the presentation of their findings at the annual conference of the British Psychological Society in York, not one of the scientists involved was prepared to say that they opposed these further measures to limit lead pollution.

Of the three studies the major one, based on lead in teeth, carried out by the Institute of Child Health, found a five point IQ deficit between children with higher and lower lead levels. The scientists then injected 15 social factors into the equation and still found the three-point IQ deficit. This is consistent with a whole series of studies and thus, in our view, is supportive of the trend of the evidence in support of our case.

The two blood-lead studies are more problematic because, at least in the case of one of them, it appears that the two sets of children were extremely close in terms of lead levels and the injection of a variety of social factors may have swamped the lead effect. What is interesting, however, is that of four major blood-lead studies, three have now shown negative effects in children from poorer families.

Whether these criticisms and others we would make are accepted by the scientists or not, however, there is unanimity about the fact that these three studies have not really helped us to definite conclusions. This is hardly surprising. As Sir Henry Yellowlees, chief medical officer at the Department of Health and Social Security, warned Ministers over 18 months back: "We are dealing here with the biological sciences where truly conclusive evidence may be unobtainable and it is doubtful whether there is anything to be gained by deferring a decision until the results of further research become available." This was a prophetic piece of advice.

The fact is that we have to act on judgments about the risk involved, and sufficient evidence exists of a hazard to justify that as an act of prudence we should eliminate this neurotoxin from the environment by taking whatever steps are necessary, including the elimination of lead from petrol.

Des Wilson.
2, Northdown Street, N1.

# FINANCIAL TIMES

Thursday April 14 1983



Anatole Kaletsky considers the possibility of a new term for the Fed chairman

## Volcker may be victim of his success

MR PAUL VOLCKER likes to point out that central bankers usually win fame through their failures, rather than their successes. So the fact that he is universally recognised as the second most powerful man in the U.S. is not, by Mr Volcker's own standards, a tribute to his record as chairman of the Federal Reserve Board.

But despite this kind of cigar-in-cheek self-deprecation and despite the roller coaster ride which interest and exchange rates have taken since he became Fed chairman in August 1979, the financial markets have an almost mystical reverence for Mr Volcker.

Thus, while Wall Street is becoming edgy that the Volcker era may soon be over, if President Ronald Reagan chooses to exercise his prerogative of appointing a new chairman in August, he is such a fixture that it is considered almost indecent to speculate about what life after Volcker might be like.

Many Washington insiders now believe that the chances of Mr Volcker being asked to serve another term are considerably less than even. The reasons for keeping Mr Volcker, assuming that he would be willing to serve for another four years at a salary of less than $70,000 – perhaps one tenth of what he could earn in the private sector – are obvious. It would take years for any successor to equal Mr Volcker's record in subduing inflation and convincing the world that he will keep it down.

Although the greatly improving prospects on inflation this year (the official forecast for 1983 was cut this week from 4.9 per cent to 2.9 per cent) should offset the immediate danger of a sharp rise in interest rates this summer, the White House could be taking a risk by retaining Mr Volcker if his anti-inflationary determination were to clash with President Reagan's political needs just before the Presidential elections in November 1984. By then, inflation could be drifting gently upwards again and the economy should be recovering quite strongly.

The possibility of a monetary tightening by Mr Volcker under such circumstances may be remote, but could be just too dangerous for political strategists to disregard, according even to some Administration officials sympathetic to Mr Volcker's reappointment.

There is said to be a bitter folk memory about politically independent Fed chairmen in the collective mind of the Republican party. This revolves around the theory that Mr Richard Nixon lost to Mr John Kennedy in the 1960 election largely because the Fed tightened its monetary policy in the run-up to it.

On becoming President in 1968, Mr Nixon was determined to appoint his own Fed chairman, Mr Arthur Burns, who dutifully provided his President with a monetary boom to help secure the 1972 re-election landslide. This has become an article of faith among political analysts in both the Republican and Democratic Parties.

If Mr Volcker did something similar for President Jimmy Carter in the second half of 1980, as some of his critics allege, it was at most a cautious and halfhearted venture, and he could not be relied on to do it again.

In addition to the political risks of retaining Mr Volcker there are, according to many politicians in Washington, big bonuses from replacing him. They are summed up by the phrase "Volcker recession, Reagan recovery."

If the President replaces Mr Volcker he will have a ready-made scapegoat for the recession of 1981-82. Just as important, he will have dispensed with a rival who might otherwise share the credit for the victory over inflation and the expected economic recovery.

Better still, the Democrats will find it very hard indeed to claim in public that the credit for these economic successes should go to Mr Volcker, since a major plank of their emerging economic straegy is an attack on the independence of the Federal Reserve Board and on Mr Volcker's faith in monetary targets.

If President Reagan refuses to appoint his own Fed chairman, he will in effect be endorsing the "Volcker recession" of 1981-82, according to some of his Democratic opponents.

The White House may not, however, be able to ignore the almost unanimous advice of Wall Street and of many leading Republicans in Congress who have spoken out strongly in favour of Mr Volcker's reappointment.

Mr Paul Volcker

The possible alternative candidates most widely mentioned so far – Mr Preston Martin, current vice chairman of the Fed, Mr Alan Greenspan, a former chairman of the Council of Economic Advisers, and Mr Donald Regan, the current Treasury Secretary – are all less than ideal for either political or economic reasons.

If a decision has already been taken to replace Mr Volcker it would be an almost unprecedented curiosity – e genuine secret in Washington, the world's leakiest city. More probably, the question has not been seriously addressed yet, although the White House has put out feelers in Wall Street and Congress to test the conceivable options.

The only man who really knows Mr Volcker's future epart from President Reagan and Mr Volcker himself, is probably Mr James Baker, the White House Chief of Staff, who is often regarded as a close runner-up to Mr Volcker as the third most powerful man in Washington.

Two comments shed light on this. One is from a Volcker supporter who believes that the Fed chairman will not be reappointed, despite the overwhelming opinion in his favour among economists and financiers both inside and outside the Administration. "The men in the chequered waistcoats, the politicos, are determined to stop him," he laments. "By that I mean, of course, Jim Baker."

The other is from an opponent of Mr Volcker, who attacks the Fed chairman for failing to implement the true teachings of Professor Milton Friedman and technical monetarists like Mr Beryl Sprinkel, and bemoans the decision the President is allegedly taking. "They know Volcker has done the wrong thing, but they just don't have the courage to get rid of him," he said. "You know who I mean – Jim Baker has decided to keep him."

Perhaps in the end it will be Jim Baker who becomes chairman of the Federal Reserve Board.

## THE LEX COLUMN

### Clearers turn a blind eye

After days of blowing warm and cool, the Bank of England finally signalled the long-awaited cut in base rates yesterday by slicing as much as a quarter off its own intervention rates. This intrepid move was followed by what appears to have been the longest clearing bank lunch in history.

There is certainly no other obvious explanation for the reluctance of the clearers to take the hint. Sterling interbank rates remained fractionally above the level implied by 10 per cent base rates, but this has rarely stopped the clearers in the recent past.

The clearers will presumably wait for a further signal from the authorities this morning before making their move. After the Bank's determination to tread softly over the past week, that signal – if offered at all – may be given with some ill grace.

The gilt-edged market, meanwhile, was preoccupied with a set of CGBR figures for March which suggested that the local authorities were engaged in an orgy of spending at the end of the financial year. If these figures had been announced a day earlier, the new tap might have been even less popular. As it was, subscriptions probably amounted to no more than one third of the £1bn on offer.

#### Burmah

Some harsh things were said about Burmah Oil in 1982 but its critics during the battle with Croda will see little need to repent in private after yesterday's results. The company has again managed to transform substantial earnings from its North Sea and Castrol lubricant operations into a net reduction of shareholders' funds. Turnover is 9.2 per cent higher at £1.5bn, but there remains a £5m loss for shareholders' funds after flat pre-tax profits of £81m, a tax rate still higher than last year's at 64 per cent and another £18.5m of extraordinary losses.

The unexpected feature of 1982 is a surprise indeed: more than £23m has been lost on the group's West German caravan business. A major part of this represents write-off and closure costs – £14m has been taken below the line – and this could be unduly pessimistic. But the scale and timing of the debacle are hard to square with Burmah's much proclaimed grand strategy.

Energy and shipping activities have contributed more than expected, hence the flat pre-tax performance, but this would offer more reassurance had either area clearly benefited from changes under Burmah's control. Exploration and production profits have surged in the second half with the higher sterling value of North Sea oil.

Shipping profits have doubled, but owe at least as much to a £4.4m reduction in depreciation as to increased use of the Bahamas terminal. Tanker losses have meanwhile climbed from £5.4m to £9m.

At 168p, up 4p, the shares stand on a fully taxed p/e of 6.2 and are yielding 8 per cent after a ½p increase in the final dividend.

#### Fraser/Lonrho

The House of Fraser response to proposals to demerge Harrods may be predictable; they appear, none the less, cogent. Unfortunately the battle between the Fraser Board and Lonrho has strayed far beyond consideration of commercial arguments to a test of wills, and on this front Lonrho retains the greater fire-power. Fraser has tied its rejection of the demerger proposal to a vote of confidence. Lonrho's counter is an attempt to isolate the demerger issue by demanding a separate vote on it, to be taken at the same EGM.

In retrospect it looks as if Fraser made a serious tactical error in handling the demerger proposals in such a long drawn-out way, especially when the final rejection is so unequivocal. Rather than appearing reasonable, the decision to commission an extended report conveys an impression of weakness and prevarication. A confident Board would have been able to issue such a rejection without outside advice within a week. Lonrho's tactic of keeping the Board on the defensive is designed to shift, battle by battle, more shareholders on to its side. As in a papal conclave, resolution of the tussle is becoming an end in itself, and in this case the pay-off would presumably be Lonrho's extravagant takeover premium for Harrods.

#### Empire Stores

The smaller UK mail order companies have earned such a reputation for shocking the market with the awfulness of their figures that yesterday's news from Empire Stores of a loss totalling only £1.1m pre-tax in the year to January was almost a cause for celebration. The shares responded with a 4p jump to 68p.

But set against profits of £2.4m in the previous year, Empire's financial deterioration is serious enough to leave the question marks over the future of the mail order industry – as presently structured – firmly in place.

After Grattan's abysmal figures last week, Empire's performance is just about tolerable enough to vindicate its disdain for the three-cornered venture proposed by Sears Holdings. But it has contained the losses only because of a policy of consolidation – volume was flat last year and agency numbers were up only two per cent. Grattan has demonstrated once again the hazards of growth for the weaker companies. For any of them to stand up to the mighty GUS over the long term, the industry will probably need an overhaul.

Mr Yasumoto Takagi

## Big loss forecast by Japan Air Lines

By Charles Smith in Tokyo

JAPAN AIR LINES said yesterday that it will pass its dividend for the year to March 31 this year and will pay no wage increases in the coming year, reflecting estimates that it has suffered some Y30bn ($126m) of recurring losses in 1982–83 compared with profits of Y200m in 1981–82, when it paid a dividend of Y40.

The losses reflect a sharp downturn in JAL's domestic passenger traffic during much of 1982, following an incident early in the year in which a pilot who was later declared insane flew a DC-8 aircraft into Tokyo Bay.

JAL's international traffic, moreover, grew in 1982 less than half as fast as had been expected and the airline suffered a large increase in its fuel bill as the result of the weakness of the yen against the dollar.

JAL, which is 37.7 per cent government-owned, launched a vigorous campaign last winter to recoup traffic losses on its domestic flights and appeared to be getting results from this in February when traffic exceeded levels of a year ago by more than ten per cent.

Operating losses for 1982–83 are likely to be covered in part by extraordinary earnings, including aircraft sales, but the company still expects a substantial net deficit. This explains the unprecedented decision by Mr Yasumoto Takagi, the president, to request the JAL unions' "understanding" of the management's decision not to pay wage increases.

## Bank of England sets stage for rate cut as £ remains strong

BY OUR FINANCIAL STAFF

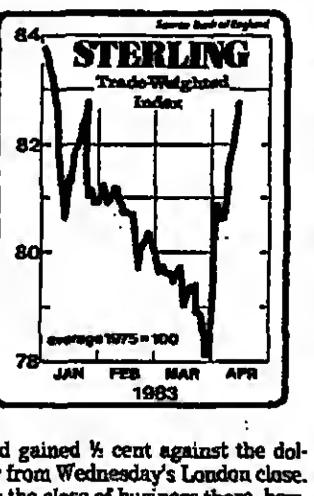
THE BANK of England yesterday gave a cautious signal for a cut in base lending rates as the pound continued to move upwards on the foreign exchanges.

The financial markets appeared already to have discounted e cut in base rates to 10 per cent from the present 10½ per cent, however, and showed e muted reaction to the central bank's cautious signal.

At midday it cut the rates at which it supplies funds to the money markets by ¼ percentage point, only half the amount by which base rates are expected to fall. This move brought the Bank's dealing rate for short-dated bills to 10¼ per cent.

It seems probable that it will permit the cut to 10 per cent in the next few days, but will resist any further fall in interest rates until there is clear evidence of a fall of U.S. rates.

Sterling, meanwhile, moved up again in spite of the dollar's general firmness. At one stage the pound had gained ½ cent against the dollar from Wednesday's London close. By the close of business there, however, the dollar had moved ahead, bringing sterling back to $1.5365, about ½ cent down on the day.




This slight backward move may have been seen to justify the Bank's caution, although the pound's overall value, measured by its index against a trade weighted basket of currencies rose by 1 per cent in London to 82.8.

The reaction of the money markets was to lower most interest rates by about ¹⁄₁₆ of a percentage point, bringing the three month interbank rate to 10⅛ per cent.

Eurodollar interest rates remained unchanged in spite of the statement on Tuesday by Mr Paul Volcker, chairman of the U.S. Federal Reserve Board, that interest rates were still too high. The three-month Eurodollar rate yesterday stood at 9¼ per cent.

In the government securities market the prospect of a base rate cut eppeared unable to give any further upward push to prices, which drifted down by as much as ½ point.

Market reports, page 33; Money markets, Page 40

## New York banks improve earnings

By Paul Taylor in New York

J. P. MORGAN and Irving Bank Corporation, two major New York money centre banks, yesterday reported sharply higher first-quarter net earnings continuing a trend set by Mellon Bank and First Chicago.

J. P. Morgan, the fifth largest U.S. bank holding company and parent of Morgan Guaranty Trust Bank, reported a 37 per cent increase in net income to $117.8m or $2.76 a share compared with $86m or $2.09 a share in the same period last year. This was despite significantly higher non-performing loans and higher provisions for possible credit losses.

Irving Bank, holding company for Irving Trust, the eighth largest bank in New York, increased net earnings from $20.8m or $2.07 a share to $24m or $2.52. Assets slipped from $19.5bn to $19.4bn, while deposits fell from $15bn to $13.8bn.

The first-quarter earnings at J. P. Morgan were the highest single quarter earnings in Morgan's history and reflect a substantial increase in net interest earnings.

Like other major banks Morgan has moved to one line accounting eliminating the previous income before investment securities transactions line.

Morgan's "very substantial" increase in provisions for possible credit losses amounted to $70m compared with $17m in the first quarter last year and $42.5m in the fourth quarter. The allowance for possible credit losses totalled $377m at the end of the latest quarter compared with $307m a year earlier and $346m at the end of December.

Morgan said non-performing loans at the end of March totalled $700m net of charge-offs compared with $386m at the end of March 1982.

At Harris Bankcorp, net earnings advanced from $7.96m to $9.08m, or from $1.21 e share to $1.37. Loans slipped from $3.95bn to $3.91bn, but assets rose from $7.21bn to $7.41bn.

Meanwhile, Republic New York, parent of the nation's 25th largest bank, reported earnings of $19.2m or $1.41 a share; against $16.1m or $1.32. Assets rose from $7.85bn to $9.35bn, deposits advanced from $5.79bn to $7.03bn, while loans slipped from $2.5bn to $2.27bn.

## Chile plans to refinance $7bn domestic debt

By Our Foreign Staff

CHILE's central bank yesterday came to the aid of its ailing private sector companies and banks with a scheme to refinance about pesos 520bn ($7bn) in domestic debts owed by more than 10,000 private and public sector companies.

The scheme will prevent the country's commercial banks from having to write off loans to clients who have been badly hit by the recession and the steep devaluation of the peso.

Assistance for the private sector commercial banks has been a key condition sought by Chile's international bank creditors who are finalising a plan to reschedule about $3.5bn of Chile's $17bn foreign debt.

The central bank will extend refinancing credit lines to commercial banks, which in turn will reschedule their clients' debts over 10 years, with a five year grace period. The central bank said debts to be rescheduled will be indexed to domestic inflation plus an annual interest rate of 7 per cent.

The rescheduling scheme is part of a plan announced last month by the Government to revive Chile's economy, banking sources said.

## Sharp improvement in GAF earnings

BY PAUL TAYLOR IN NEW YORK

GAF CORPORATION, tha troubled New York-based chemicals and building materials group locked in e bitter proxy battle, yesterday announced a significant improvement in earnings from continuing operations.

It also said it had reached another agreement to sell its building materials group and had authorised its investment bankers to continue discussions with several prospective purchasers for its chemicals business.

GAF said "a couple of major companies" are "very interested" in buying the remaining assets after the sale of the buildings materials group has been completed.

Earlier this month GAF announced it was proposing to sell 80 per cent of its building materials group to the newly formed Southwestern General Corporation for $140m in cash and paper. It said yesterday it had also entered into a similar leveraged-buyout deal with Odyssey Partners, formerly Oppenheimer and Co.

GAF said the agreement with Odyssey Partners was negotiated to enhance the probability of a sale of the building materials group on terms similar to those proposed by Southwestern General.

Under the deal with Southwestern, GAF would receive $100m in cash and a note of the acquiring corporetion with a face value of about $40.5m secured by a second charge on all assets. GAF would also receive 20 per cent of the new corporation which would operate the business under its present management.

If either the Southwestern deal or the Odyssey agreement goes through, it would clear the way for GAF to sell its profitable special chemicals business, thus effectively liquidating the company.

Last year the chemicals business bad annual sales of around $300m, while its building materials business bad an operating loss of $26m.

The sale of the building materials group is fiercely opposed by a shareholder group which wants GAF to sell its chemicals business first.

Mr Samuel Heyman, who is leading the group's proxy battle, yesterday described the proposed sale to Southwestern as "irresponsible," given the prospective buyer's background. The proxy battle will come to a head at GAF's annual meeting on April 28.

GAF reported first quarter earnings from continuing operations of $2.15m, or 10 cents a share, compared with a loss from continuing operations of $4.8m or 32 cents a share in the corresponding period last year. Sales from continuing operations increased by 16.7 per cent to $162.8m, against $139.5m last year.

In the latest quarter an extraordinary gain of $1.03m made a final net of $3.17m or 17 cents a share, compared with $2.6m or 13 cents a share in the corresponding quarter last year, after a $5.4m gain from the sale of tax benefits and a $1.08m extraordinary credit.

Net income for the latest quarter includes a $1.1m provision for costs associated with the proxy contest, of which $500,000 was paid in the first quarter. The provision was almost entirely offset by a $1m income item which was part of a settlement with an insurance company.

In the latest quarter profits from the chemicals group increased by 22.6 per cent, or $2.7m, to $14.9m on sales ahead by 5.2 per cent to $79.8m.

GAF said the improved profits were largely the result of higher domestic unit sales of special chemicals and roofing granules, and manufacturing efficiencies.

The building materials group sales increased by 30.4 per cent to $83m from $63.7m in the first quarter last year, while direct operating losses were reduced from $13.3m to $3.5m.

## GM recalls workers

By Our New York Staff

GENERAL MOTORS, the world's biggest motor vehicle manufacturer, yesterday announced that some 16,000 indefinitely laid-off workers would be called back to work in the near future as a result of increases in its production schedules. GM also said that its spring selling season had got off to a strong start in April following a sluggish period earlier in the year.

GM has now recalled more than 45,000 employees since the beginning of this year. Its passenger car sales in the first ten days of April jumped by roughly two-fifths compared with a poor period last year.

## World Weather

| | | °C | °F | | | °C | °F | | | °C | °F | | | °C | °F |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ajaccio | S | 14 | 57 | Dubrovnik | F | 12 | 54 | Malaga | S | 18 | 64 | Salzburg | Sl | 2 | 36 |
| Akrotiri | F | 20 | 68 | Faro | F | 19 | 66 | Malta | F | 16 | 61 | Seoul | S | 25 | 77 |
| Algiers | F | 17 | 63 | Florence | C | 9 | 48 | Manila | S | 37 | 99 | Singapore | C | 34 | 93 |
| Amsterdam | F | 8 | 46 | Frankfurt | C | 7 | 45 | Miami | S | 21 | 70 | Stockholm | C | 2 | 36 |
| Athens | S | 20 | 68 | Funchal | F | 27 | 81 | Milan | S | 15 | 59 | Strasbourg | F | 8 | 46 |
| Bahrain | S | 26 | 79 | Geneva | C | 6 | 43 | Moscow | R | 1 | 34 | Sydney | C | 20 | 68 |
| Bangkok | S | 36 | 97 | Gibraltar | F | 17 | 63 | Munich | F | 3 | 37 | Taipei | S | 36 | 96 |
| Barcelona | S | 13 | 55 | Guernsey | S | 9 | 48 | Nairobi | F | 28 | 82 | Tangier | F | 20 | 68 |
| Beirut | S | 18 | 66 | Helsinki | F | 4 | 39 | Naples | F | 14 | 57 | Tehran | – | — | — |
| Belgrade | R | 8 | 46 | H. Kong | C | 27 | 81 | New Delhi | C | 22 | 72 | Tel Aviv | S | 20 | 68 |
| Berlin | F | 8 | 46 | Innsbruck | C | 5 | 41 | New York | F | 8 | 46 | Tenerife | C | 27 | 81 |
| Biarritz | F | 12 | 54 | Inverness | R | 9 | 48 | Nice | S | 13 | 55 | Tokyo | S | 21 | 70 |
| Blackpool | F | 8 | 46 | Istanbul | S | 22 | 72 | Oporto | S | 18 | 64 | Toronto | F | 3 | 37 |
| Bordeaux | S | 11 | 52 | Jersey | S | 9 | 48 | Oslo | F | 6 | 43 | Tunis | C | 17 | 63 |
| Brussels | C | 8 | 46 | Jo'burg | S | 23 | 73 | Paris | C | 10 | 50 | Valencia | S | 15 | 59 |
| Budapest | C | 10 | 50 | Las Palmas | S | 29 | 84 | Prague | – | — | — | Venice | S | 15 | 59 |
| B. Aires | – | 28 | 86 | Lima | S | 29 | 84 | Reykjavik | C | 1 | 34 | Vienna | R | 7 | 45 |
| Cairo | S | 28 | 82 | Lisbon | F | 18 | 68 | Rio de J'o | C | 32 | 90 | Warsaw | C | 5 | 41 |
| Cape Town | C | 22 | 72 | Locarno | S | 11 | 52 | Rome | C | 11 | 52 | Zurich | C | 3 | 37 |
| Caracas | C | 26 | 78 | London | F | 11 | 52 | | | | | | | | |
| Casablanca | S | 36 | 66 | Los Angeles | F | 8 | 46 | | | | | | | | |
| Copenhagen | S | 7 | 45 | Luxembourg | C | 5 | 41 | | | | | | | | |
| Corfu | F | 15 | 61 | Madrid | S | 17 | 63 | | | | | | | | |
| Dublin | S | 9 | 48 | Majorca | F | 15 | 59 | | | | | | | | |

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder



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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday April 14 1983



# Creusot-Loire loss bigger than expected

By Paul Betts in Paris

CREUSOT-LOIRE, the French engineering company controlled by the Empain-Schneider group, yesterday reported a far larger than expected loss of FFr 465m ($64m) for 1982.

The company had returned to profit in 1981 after four years of losses, with a modest profit of FFr 41m. But the loss for 1982 was substantially higher than the expected deficit of about FFr 200m.

Although the accounts of the Creusot-Loire group have not been closed, the group is now expected to report a larger deficit than the parent company's FFr 465m 1982 loss.

The group deficit for 1982 is expected to be around FFr 600m, against a small profit of FFr 12m in 1981.

The parent company's sales rose in 1982 by a modest 5.1 per cent to FFr 6.6bn compared with 1981. Group sales are expected to decline by about 10 per cent to FFr 17.1bn.

The company's mechanical engineering operations improved its performance in 1982, but steel and metals divisions reported deficits.

The parent company suffered especially heavy losses from its French special steels subsidiary Imphy and its U.S. offshoot Phoenix Steel.

The company said yesterday that the decline in group sales last year reflected a drop in revenues from nuclear and metal operations.

# Westinghouse shows further downturn in first quarter

BY PAUL TAYLOR IN NEW YORK

WESTINGHOUSE Electric, the second largest U.S. electrical equipment manufacturer after General Electric, yesterday reported a further dip in net profits for the first quarter reflecting continuing weak demand for some of its industrial products.

Net earnings fell to $100.3m or $1.13 a share in the latest quarter from $124.4m or $1.44 a share in the same period last year. The profits decline follows a smaller drop in fourth quarter earnings, which fell to $100.8m from $103.1m in the 1981 final quarter.

The latest quarter net earnings include a pre-tax gain of $12.7m from the sale of cable television systems.

Sales in the latest quarter totalled $2.29bn compared to $2.34bn in the year earlier quarter.

Mr Robert Kirby, Westinghouse's chairman, said incoming orders increased by about 10 per cent from last year due to higher bookings of defence and nuclear related products and services.

"However, new orders for short-lead time industrial products continued at low levels and are not likely to improve until industrial capital spending stages a comeback."

Westinghouse said the sales decline in the first quarter resulted from lower shipments to industrial customers. The company said sales for energy and advanced technology increased slightly while broadcasting and cable bad strong sales

Sales of Westinghouse's commercial group were about even last year.

# Lenders give Allis-Chalmers new deal

By Our Financial Staff

ALLIS-CHALMERS, the loss-making U.S. machinery manufacturer, has reached agreement with bank and insurance company lenders on rescheduling part of its long-term debt.

Under the agreement the company, which posted a $207m net loss last year on sales down from just over $2bn to $1.6bn, cannot pay dividends on its common or preferred stock for two years.

The agreement includes deferral until March 15 1985 of principal maturities on $48.4m long-term debt, originally due from December 15 1982 to February 15 1985. Total long-term debt et September 30 last year was $236.9m.

The deal also includes revised financial covenants. Payments under industrial revenue bonds, publicly beld 5.1 per cent sinking fund debentures and non-U.S. debt are not affected.

Allis-Chalmers Credit Corporation, the finance unit, which has also reached agreement with bank and insurance company lenders, will defer until March 15 1985 payment of principal on $76m of senior and senior subordinated debt, originally due from September 20 1982 to March 1 1985.

Revolving credit facilities of $649.7m are extended to March 15 1985.

Severely depressed markets for agricultural equipment and weak demand for materials handling and process equipment have brought Allis-Chalmers heavy losses in the past two years.

In September the company said it was seeking to pull out of Fiat-Allis, its loss-making construction machinery joint venture with Fiat of Turin.

# Nixdorf sales rise slows but earnings up strongly

BY STEWART FLEMING IN FRANKFURT

NIXDORF COMPUTER, the privately-owned concern which is one of West Germany's leading data processing companies, has reported an 18 per cent increase in sales revenues and a near doubling of its profits for the year to December 1982.

The company, which is controlled by the Nixdorf family, which holds 69 per cent of the equity with the Deutsche Bank holding 25 per cent and employees 8 per cent, is paying a maintained 16 per cent dividend.

Nixdorf said that its sales revenues in 1982 rose 18 per cent to DM 2.29m ($946,000) a slower rate of expansion than in the previous two years when sales increased by 24 per cent and 25 per cent. But reported profits have risen sharply from DM 41m to DM 73m

Among the factors which have contributed to the improved profitability is a sharp fall in interest expenses from DM 176m to DM 139m, a decline which in part reflects falling interest rates but also an improved debt structure as a result of lengthening loan maturities.

The company says that 1982 was another year of rapid expansion during which some 1,300 new jobs were created, taking the workforce to just over 18,000. New orders at the beginning of 1983 were 16 per cent above the previous year's level.

Capital investment increased from DM 221m to DM 282m. Research and development expenditure increased by 26 per cent to DM 197m. The company has also opened R and D facilities in both Tokyo and the U.S. in order to keep more closely in touch with rapid developments in microelectronics technologies. In the past year too, Nixdorf has launched a new line of office computers, the 8810 series, a less powerful computer than those it already offers but one which is aimed at providing competition to personal computer manufacturers who are seeking to expand into commercial and industrial markets.

# Decline in interest rates aids U.S. Home

By Our New York Staff

U.S. Home Corporation, the largest builder of single family homes in the U.S., reported a further improvement in net income, reflecting the impact of lower interest rates on the housing market.

Net income in the first quarter increased to $8.61m, compared to a net loss of $1.42m in the 1982 first quarter on revenues which jumped by 49.8 per cent to $259.7m from $173.2m.

On a per share basis net income in the latest quarter was 25 cents after giving effect to a two-for-one stock split payable on April 15, compared to a loss of 5 cents a share in the 1982 quarter. The latest per share net income figure is equivalent to 50 ceats a sbare before the share split.

Mr George Matters, president and chief operating officer, said: "Results from operations showed marked improvement over the comparable quarter in 1982 and give effect to the impact of lower interest rates on the housing market."

# Panama trade bank advances

BY WILLIAM CHISLETT IN MEXICO CITY

AN INCREASE in net profit, from $5.1m in 1981 to $8.2m for 1982, is reported by Banco Latin Americano de Exportaciones (Bladex), the Panama-based trade financing bank whose shareholders are 202 central, state and commercial banks from 20 Latin American countries and about 20 international banks.

Total deposits were down 8.2 per cent at the end of 1982 to $389.2m, while overall loans were $480.7m, up 20.5 per ceat. The bank extended export credits last year worth a total of $1.3bn – almost equal to the combined total of the previous three years.

The drop in deposits was due to a loss of foreign exchange reserves by central banks which make up a significant portion of Bladex's deposit base. Latin American countries are undergoing severe balance of payments problems.

The bank increased its reserve for possible loan losses by $2.1m to $4.8m at the end of 1982 in anticipation of debt problems this year.

Last year, however, there were no charges made to the reserve for loan losses as there were non-performing loans at the year-end.

# Owens-Corning recovering

By Our Financial Staff

A TURNROUND from an $8.7m loss or 28 cents a share to a $8.6m profit (31 cents) for the first quarter has been announced by Owens-Corning Fiberglass, a leading producer of glass fibre and other building and industrial products.

Sales were also higher at $608m against $478.5m. The 1983 earnings include a $2.7m gain from an exchange of stock for long-term debt.

The company said, bowever, it was still operating well below capacity in most areas, and had, therefore, experieaced price pressures.

# Healthy forecast by 3M

BY OUR NEW YORK STAFF

OVER the next five years, 3M company expects unit volume growth of about 10 per cent, an improvemeat in pre-tax profit margins to a little over 20 per cent and a return oa stockholders' equity approaching 25 per cent, according to Mr Lewis Lehr, the chairman.

Mr Lehr told analysts in Minnesota yesterday that the company, which makes a wide variety of products based on coating and bonding technologies, was expecting a good growth in dividends over the five-year period. But the payout ratio would be reduced from the level of around 60 per cent in 1982 to a "more normal" level in the 40 to 50 per cent range.

*Earnings were expected to grow* at "a fairly rapid rate" in the second half of this year, he added.

However, the first six moaths would be held back by a strong dollar and a slow start to the economic recovery, and earnings in the first quarter would not be much higher than last year – "and they could be a bit lower."

# Reshuffle at Corning Glass

CORNING GLASS works, the U.S. glass manufacturer, announced a major realignmeat of its operations and an executive reshuffle. Mr James Houghton, vice-chairman, becomes chairman of the board and chief executive, writes our New York staff.

Mr Houghton replaces Mr Amory Houghton, who was elected chairman of the executive committee in the reorganisatioa under which the operations will be divided into three groups, each with its own president.

# Volker Stevin back in black for 1982

BY WALTER ELLIS IN AMSTERDAM

THE Dutch construction group, Royal Volker Stevin (RVS) bas announced a return to profit for 1982 after two years of losses totalling Fl 304m ($111m).

The company still faces problems in the important Nigerian market but is hoping for a satisfactory result in the current financial year.

Not surprisingly, the board of management has proposed that the 1982 profit be used to strengthen shareholders' equity and there will be no dividend.

Earnings for last year came to Fl 10m, compared with a loss of Fl 24m in 1981 and Fl 280m in 1980. Sales, calculated on a basis of production, amounted to some Fl 3bn, Fl 10m down on the previous 12 months.

Orders in hand at the beginning of this year were 32 per cent down in value compared with January 1982 – Fl 2.1bn against Fl 3.1bn – but *guarantee capital at the end of* last year actually rose 5 per cent, to Fl 801m, and there was an improvement, too, in balance sheet ratios.

RVS notes that while there is reason to hope for a satisfactory result in 1983, "stagnatioa in market growth, monetary imbalances and the circumstances in Nigeria offer large uncertainties for 1983 and 1984." No forecast is made about the possible extent of this year's earnings.

RVS discloses no figures but says its operating result last year was a significant improvement oa that for 1981.

Positive results were achieved by most companies within the group, it adds, but associated companies suffered losses.

# Baldwin gets temporary debt extension

By Our New York Staff

BALDWIN-UNITED, the troubled financial services group, has agreed with its lenders a temporary extensioa of the maturity of about $682m of its short-term debt until July 15.

The agreement follows several weeks of negotiations, during which the Cincinnati-based company missed a debt-payment deadline.

As part of the deal, holders of about $242m of short-term borrowings by Baldwin-United or its subsidiary, D. H. Baldwin, will receive as collateral pledges of common stock in certain of the group's important operations.

# Setback for A. P. Moeller

By Our Copenhagen Correspondent

THE A. P. MOELLER shipping partnership reported a reduction in operating earnings from DKr 1.24bn to DKr 1.16ba ($135m) last year, with a fall after depreciation from DKr 815m to DKr 468m.

The group has a fleet of more than 100 vessels and interests in shipbuilding, manufacturing, retailing and offshore business. It is Denmark's biggest corporation measured by market capitalisation but it does not publish turnover figures or consolidated group acounts.

# Novo plans European distribution of shares

BY HILARY BARNES IN COPENHAGEN

NOVO, the Danish pharmaceuticals and industrial enzymes group, is trying to establish a European market for its shares by arranging for the distribution of part of a planned new issue in Europe.

The new issue, at market price and without rights for existing shareholders, will consist of between 200,000 and 450,000 B shares, and between 1m and 2.25m American depositary certificates, which at the price quoted in Copenhagen currently will raise between DKr 437m and DKr 984m ($114m), the largest amount of money a Danish company has ever raised in the share market.

The company said the main reason for the new offering is the rising level of capital expenditure on both research and development and expansion of production facilities. Total capital expenditure amounted to DKr 495m in 1982 and is expected to rise to DKr 600m in 1983.

Novo's sales were up last year by 22 per cent to DKr 2.23bn and earnings before tax from DKr 341m to DKr 512m. The dividend was increased from DKr 15 to DKr 17 per share (DKr 3 to DKr 3.50 per American depositary certificate).

The shares available to European investors will be sold through a consortium beaded by Goldman, Sachs and Novo's European banking advisers, Copenhagen Handelsbank, Deutsche Bank, Morgan Grenfell and Swiss Bank Corporation.

● Sophus Berendsen, Danish parent company to the UK Rentokil group, increased the dividend from 15 to 16.5 per cent (DKr 20.3m to DKr 22.4m) after increasing group pre-tax earnings by 16 per cent to DKr 249m ($29m) from DKr 215m. Turnover was up 16 per cent to DKr 2.55bn.

Rentokil's contribution to the profit was DKr 2382m. Earnings in 1983 are expected to improve, said the group.

● Copenhagen Handelsbank is to take advantage of the bullisb Danish share market to make e DKr 105m (nominal) rights issue, giving shareholders the right to subscribe to one new share for 10 old shares. The new issue is priced at DKr 103 per share.

# Special gain lifts profits at Marriott

By Our Financial Staff

MARRIOTT CORPORATION, the fast-expanding Washington DC-based hotels and food service operator, has maintained profits growth in 1983 to date, but only as the result of a $2.4m or 9 cents a share gain from the sale of its Farrell's restaurant division and interests in a Deover hotel.

*First quarter earnings, including* the gain, amounted to $19.24m or 70 cents a share – an increase of 13.5 per cent on last year's comparative $16.94m or 63 cents a share.

Revenues of the group, which also has interests in other food and entertainment operations, continued their strong upward trend, totalling $635m for the latest three months.

For the whole of 1982, sales reached a record $2.54bn, up from $2bn for 1981.

# Von Roll dips into red and omits payout

By Our Zurich Correspondent

VON ROLL, the Swiss engineering group, dipped into the red in 1982 and is to pass its dividend. In 1981 shareholders received a 5 per ceat payment.

Group cashflow dropped in 1982 from SwFr 53m to SwFr 10m ($4.9m) following an unspecified consolidated loss. Turnover improved by 4.6 per cent to SwFr 1.19bn, partly as e result of acquisitions.

Parent company losses totalled a net SwFr 5.9m following unchanged depreciation of SwFr 25m. In 1981 Von Roll had registered a net profit of SwFr 6.1m.

# Moody's lowers Warner rating

By Our Financial Staff

NEW YORK – The credit ratings on some of the debt of Warner Communications, the diversified leisure group, have been lowered by Moody's Investors Service, the U.S. credit rating agency.

Warner's senior debt rating has been cut from Double-A3 to Single-A1, and its subordinated debt has been lowered to Single-A2 from Single-A1.

Moody's said the move, which affects about $130m of debt, reflected narrower profit margins in the consumer electronics division

# Dutch insurer ahead

BY OUR FINANCIAL STAFF

NATIONALE Nederlanden, the major Dutch insurance group, reports a modest increase in profits for 1982 and as a result will omit its dividend.

Against a forecast of unchanged *earnings, net profits have moved* ahead to Fl 421.7m ($154m) from Fl 395.6m. The dividend is going up to an effective Fl 8.20 a share from Fl 7.62 in 1981.

The improved result follows a steady performance from the company's life divisions and strong gains in the investment department. Non-life underwriting, bowever, suffered a drop of more than half in *operating profits.*

Operating profits in the life sector rose to Fl 323m from Fl 281m with non-life earnings dipping steeply to Fl 69.1m, against Fl 151m.

# PSA to buy two more McDonnell Douglas jets

BY OUR NEW YORK STAFF

McDONNELL DOUGLAS, the U.S. aerospace company, said that Pacific Southwest Airlines (PSA) has agreed to buy a further two Super 80 jets.

The agreement is the latest result of the campaign by McDonnell Douglas to market the Super 80 aggressively and thereby keep the DC 9 *production line of its Douglas Air*craft Co division running through 1984.

The latest order by PSA for the Super 80 is for two jets to be delivered in early 1985. PSA is due to take delivery of three more Super 80s already on order in spring next year and an additional aircraft has been ordered for the spring of 1985.

The airline also has options on three more Super 80s for delivery in 1985 and five for delivery in 1986.

McDonnell Douglas has been particularly aggressive in marketing the Super 80, the two-year-old derivation of the DC9 jet. Last year the Super 80 outsold other aircraft in a depressed market.

As part of its effort to sell the Super 80 as an alternative to airline *demands for a new* 150-seater aircraft, and thereby maiatain its position in the commercial aircraft business, McDonnell Douglas has also recently undertaken a number of special financing deals with airline customers.

Alitalia has ordered 30 of the jets under an arrangement whereby McDonnell has agreed to take some of the Italian airline's older jets back in return.

# INTERNATIONAL COMPANIES

## HK and Kowloon Wharf lifts profits and dividend

BY ANDREW FISHER IN HONG KONG

NET PROFITS of Hongkong and Kowloon Wharf and Godown rose by 15.4 per cent to HK$382m (U.S.$57m) in 1982 and the group has proposed a higher dividend, while stressing its strong cash position during the property slump and economic slowdown in the Colony.

The final dividend is 11.5 cents a share bringing the total for the year to 16 cents against 15 cents. Earnings per share, adjusting for a one-for-ten scrip issue, were 24.8 cents per share compared with 21.5 cents.

The group, which is mainly involved in property and is controlled by the interests of Sir Y. K. Pao, the major shipowner said all divisions performed satisfactorily. Its activities also include ferries and trams.

Extraordinary income of HK$159m stemmed partly from the sale of the Empress Hotel by the groups Harbour Centre Development subsidiary, which is separately quoted on the stock exchange and reported slightly lower earnings of HK$78m before taking in the special gain.

Deposits and cash totalled HK$694m at the year end, compared with bank loans, advances and long-term debt of HK$379m.

Extraordinary income also included a surplus on the distribution to shareholders of houses at Strawberry Hill in the Colony's expensive Peak district. In 1981, the group reported extraordinary income of HK$134m

The group said its strong recurring income base meant it was well placed to withstand current economic difficulties and to take advantage of improved market conditions when they arose.

## Kuwait passes cheque crisis Bill

BY KATHLEEN EVANS IN KUWAIT

AFTER the longest session in its history, the National Assembly of Kuwait has finally approved the Bill to change the commercial code so as to facilitate a solution to the crisis in the country's unofficial stock exchange, caused by $94bn of uncleared post-dated cheques.

The Bill establishes a trust fund which will issue promissory notes to second-tier investors so that a chain of bankruptcies can be avoided. The trust fund will take over the assets of the 70-odd people who have been referred to the courts for bankruptcy proceedings.

The new institution is likely to be chaired by Mr Abdul Latief Al Hamed, the Finance Minister, with other board members drawn from the chamber of commerce, and the ministries of commerce and justice.

The new institution will first concentrate on settlements for individual dealers according to their assets. This work is likely to take at least a year. Meantime, the promissory notes will be issued to keep everyone afloat whilst the final indebtedness of the major dealers is evaluated.

However, it is still not clear whether the government is going to accept Gulf shares as assets. If it does, then the next question is how to value those shares, for shares from the Souk al Manakh exchange still continue to plummet. Between last May and January, share prices fell 60 per cent, and they have fallen at least another 10 per cent since then.

There is also no indication as to the maturity of the notes which will be issued and the interest rate which will be payable on them.

One of the Bill's clauses will deflate the total amount of post-dated cheques involved. Interest on the cheques has been limited to a cut-off date of December 31, 1983. The Finance Minister told parliament that only 191 cheques totalling $5.4bn were due after that date compared with a total of $94bn of post-dated cheques.

The Bill, however, will not contribute to the solution of the associated problem of post dated cheques used in land deals. Some $7bn to $13bn is said to be involved.

## Hongkong Bank HQ costs overshoot

By Andrew Fisher in Hong Kong

THE COST of the Hongkong and Shanghai Banking Corporation's new headquarters, a skyscraper which will have all the latest design and high-technology trimmings, will be at least HK$590m more than originally estimated, with basic construction costs now seen reaching HK$3bn (U.S.$447m).

Mr Michael Sandberg, the bank's chairman, said the increase was because of "a very serious and unexpected overrun for the cost and erection of the steel." The building is due for completion by the end of 1985.

At 1980 prices, the building's cost was first put at HK $1.4bn, the bank has never given a figure for what the highly computerised and ornate inside of the building would cost, but it is likely that this will be at least another HK $3bn.

The banking group's capital commitments in the annual report are shown as HK$5.7bn against HK$3.3 bn in 1981 – a rise which reflects the high cost of the building, though the exact outlay is not given.

Mr Sandberg said construction of the new headquarters was "slightly behind schedule." The designers are Foster Associates of Britain. Steel supply and erection represents nearly a third of the basic cost, having almost doubled since first estimates.

As for 1983 prospects for the bank, Mr Sandberg said the year would be as testing as 1982. "Consolidation is likely to be the chief objective." Net disclosed profits rose in 1982 by 11.4 per cent to HK $2.36bn.

## U.S. synthetic fuel plant may lose $770m

WASHINGTON – The largest synthetic fuel plant in the U.S. is projecting losses of more than $770m for its first 10 years of operation, casting doubt on whether its sponsors will be able to repay federally-guaranteed loans on time.

The group of five companies building the $2.1m Great Plains coal gasification plant in Beulah, North Dakota, recently warned the Government that the project faced heavy losses until the mid-1990s.

In a report submitted to the Energy Department the companies also said they do not expect to repay federally guaranteed loans or recoup their own investment in the project until the year 2000 – 15 years after it is due to go into operation.











**VONTOBEL EUROBONDINDIZES**

WEIGHTED AVERAGE YIELDS
PER APRIL 12 1983

| | Today | INDEX Last week | % Year's High | Year's Low |
|---|---|---|---|---|
| US$ Eurbonds | 11.71 | 11.77 | 12.22 | 11.61 |
| DM (Foreign Bond Issues) | 7.28 | 7.35 | 7.79 | 7.23 |
| HFL (Bearer Notes) | 7.68 | 7.72 | 8.07 | 7.43 |
| Can$ Eurobonds | 12.99 | 13.06 | 13.55 | 12.93 |

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# Australia finds five motor makers too many for drivers to support

BY COLIN CHAPMAN

JUST BEFORE nine on a hot Friday morning in January, Mr Max Gransden, sales and marketing director of Ford Australia, took a letter from a silver platter, in a third floor office at Broadmeadows, outside Melbourne. "Oh boy, how about that," he said. "We knocked them off."

Sales figures showed that Ford had sold 139,318 units in 1982, or 22.6 per cent of the car market, toppling General Motors from its position as market leader for the first time in three decades.

Three months later, with a new, Labor Federal Government in Canberra, replacing the Liberals, the faces at Broadmeadows are still all smiles. Mr Bob Hawke, Prime Minister, has recognised Mr Bill Dix, the Ford chief executives, for work in the Election Campaign with a personal invitation to the Economic Summit meeting.

Ford Australia is also about to announce record profits of around A$120m (U.S.$105m).

But Ford is the only one of the five motor manufacturers in Australia to have anything to smile about. The other four, along with major assemblers and Australia's components industry, are in deep depression. It can only be a matter of time, days rather than months, before there are plant closures, more lay-offs, and, almost certainly, substantial rationalisations, involving the number of manufacturers being cut by at least one.

On paper if no more, the fallen market leader, General Motors-Holden's (GM-H), is in the worst position and has already opened merger talks with the two smaller Japanese manufacturers in Australia, Nissan and Australian Motor Industries, the Toyota offshoot. GM-H has not paid a dividend to its Detroit masters for five years, has lost A$260m in three years, an all-time record for any Australian company and has cut its staff by more than 4,000 in the last 18 months.

The other manufacturers are also in difficulty. Mitsubishi Australia, the Adelaide-based manufacturer bought by the Japanese from Chrysler three years ago, enjoyed record sales in 1982, but chalked up a loss of A$11.96m, compared with a profit of A$17.73m in 1981. It puts down these losses to a ruthless price cutting war, which forced it to discount most prices on its new car range by A$1,000 or more, A$3m in severance payments to 300 employees who voluntarily retired, interest charges up 238 per cent to A$6.49m and a 67 per cent increase in depreciation charges to A$16.2m, resulting from heavy investment in the past few years.

Mr Graham Spurling, Mitsubishi's managing director, estimates a fall of 7 per cent in total industry sales to about 570,000 units this year, but is counting on his company increasing sales and lifting its share of the market above last year's 11.3 per cent.

Mitsubishi, along with GM-H, pins some hope on export markets, including Britain and Continental Europe, because Australian-manufactured cars or engines are not subject to the informal limits on Japanese exports, and benefit from substantial Federal Government export incentive schemes. Unfortunately the Mitsubishi Australia Lonsdales are widely, if wrongly, regarded as Japanese cars by another name, while the GM 1.6 litre engines, made at a new A$300m plant in Melbourne designed specifically for export but operating at only 60 per cent capacity, are more expensive than those made at Opel in Germany.

The other Japanese local manufacturers, Toyota and Nissan, are both sufficiently concerned about the outlook to have held talks at senior management level to consider a merger with GM-H. Nissan pushed its Bluebird hard through generous dealer discounting, while industry observers believe Toyota has been able to hold on only because of the strength of its commercial vehicle sales. Its performance in the car market has been surprisingly weak, given the company's strength in this field in other countries.

For the industry, the unions and the Federal Government, the central and nagging question through all this must be—if only one of the subsidiaries of five of the world's largest automakers can make worthwhile profits in a year when Australian sales reached near-record levels, what will happen in 1983 and 1984? The question is all the more worrying when the importers—and important local assemblers like Volvo and Jaguar Australia (formerly British Leyland-Peugeot)—can do well, despite high tariffs, endless dock strikes and the arrival of a new motor industry scheme introduced last year designed to boost domestic manufacturers.

The new Federal Government is far from finding an answer to the conundrum.

One possibility being canvassed, with the support of influential public figures such as Mr John Cain, the Victorian State Premier, is a Judicial Inquiry into the industry, run on similar lines to a Royal Commission. Another possibility is to commission yet another report from the Industries Assistance Commission, but the IAC itself has fallen in standing in recent times as a result of its coming out with different recommendations in successive reports on the same subject.

The next occasion on which major options are likely to be canvassed is at a meeting of the Vehicle Industry Advisory Council scheduled for next month. The options include more quotas or tenders for the right to import, freezing or reducing the present import quota of 81,000 vehicles, reintroducing more local assembly, and raising local content from 85 per cent to 90 per cent or even 95 per cent.

But one of the biggest questions is over the future of the Fraser Government's export credits scheme, which was suited to benefit General Motors-Holden's but so far has not generated any gains for them. Under the scheme, car producers can dilute the local content of their cars if they export cars or parts of a certain value. They can reduce local content by a maximum of 6.25 per cent if they earn the full export credit. This becomes 7.5 per cent from next January, and the plan envisages a maximum 15 per cent reduction in local content by 1987.

The scheme has infuriated major parts manufacturers like Repco, and Labor has already indicated it may freeze the plan at 7.5 per cent. This in turn has angered GM-H, which has said it did not invest A$320m in its four cylinder engine factory in Melbourne, part of a world car concept, just to see the benefit taken away again.

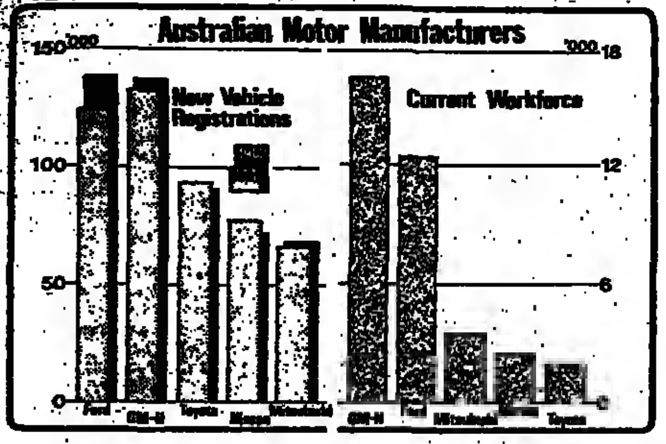
Each party in the motor industry seems to be seeking more breathing space even though the retrenchments grow daily, along with the losses. Senator Button, in whose portfolio responsibility for the motor industry lies, said last week: "I have been talking with GM-H managing director Chuck Chapman in an effort to cut the retrenchments and have discussed what we can do about the company. Because it is some time yet before the effect of our policy can be felt, I've decided to let the issue rest for a few months before we start negotiating on it again."

Apart from what happens in the car sector, the Federal Government will be under intense pressure from both trade unions and the major Australian component makers to bring the buoyant light commercial market, worth about A$920m a year, into the local content plan.

Whereas cars are liable to a duty of 57.5 per cent and are restricted to 20 per cent of the market, imported commercial vehicles weighing less than 2.72 tonnes enter Australia at a duty rate of 35 per cent, with no restriction on numbers. This has led to a flood of small hatchback imports from Suzuki, Subaru and Daihatsu, which arrive as light commercials, and are very popular as family runabouts.

According to Mr Jim Smith, director of the Federation of Automotive Parts Makers, 60,000 additional light commercial vehicles would be built in Australia if this sector were brought into the local content plan.

The next move is likely to be further private merger or collaboration talk between some, if not all, of the major manufacturers. With the big five vying for a total market of only 600,000 vehicles a year, joint arrangements for manufacture of components, and even engines, seems a near certainty. Some form of rationalisation must be on the cards if the car industry is to emerge from its slump.




Graham Lever

## UK COMPANY NEWS

# Empire Stores £1.1m loss and dividend cut by 2.45p

DESPITE RETURNING profits of £838,000 in the second six months, which partly offset the loss of the first half, mail order group Empire Stores (Bradford) finished the year to January 29 last £1.13m in the red pre-tax and is cutting its dividend from 2.55p to a nominal 0.1p net per 25p share.

For the third successive year sales were adversely affected by the recession and although they rose by 2 per cent to £142.18m (£139.25m) this was insufficient to absorb increases in costs, including higher bad debts—taxable profits for 1981-82 totalled £2.42m.

However, a marked improvement is anticipated in the group's trading performance and barring unforeseen circumstances this will result in a return to profit for the current year, although in line with its seasonal trading pattern a small loss may be experienced in the first half.

The directors explain that measures taken during 1982 to tighten credit control are proving effective and will reduce the level of bad debts, the major benefit of which will materialise in the second half.

The reduced level of general inflation together with some expected improvement in consumer spending power should also make a favourable contribution in the current year.

Trading profits for the past year emerged at £412,000, compared with £3.86m a year earlier, but these were subject to higher interest charges of £1.68m (£1.44m), a corporation tax repayment supplement of £259,000 (nil) and exceptional expenses of £118,000 (nil), which were incurred in connection with the offer from Great Universal Stores and the reference of that offer to the Monopolies and Mergers Commission.

A tax credit of £1.61m, against a previous charge of £585,000, put the group £480,000 back into profit at the attributable level (£1.83m) for earnings per 25p share of 1.47p (5.61p).

In January the Monopolies and Mergers Commission reported that the merger would be against public interest and should not go ahead. GUS already held 29.99 per cent of Empire's shares and the Commission said this was also against public interest and recommended that GUS should reduce its holding to less than 10 per cent within two years.

In March it was announced that discussions were taking place with GUS regarding a "know-how" arrangement on an arm's length commercial basis. The directors say that constructive talks to that end are continuing.

A summarised group balance sheet at year-end shows shareholders' funds at £34.79m (£34.3m). Fixed assets and investment totalled £6.11m (£5.83m) and bank overdraft less cash at the bank amounted to £14.67m, compared with £12.86m at January 30 1982.

Allowing for current cost adjustments pre-tax loss for the year under review emerged at £2.52m (£994,000 profit) and loss per share came through at 2.79p (1.25p earnings).

See Lex

# British Mohair leaps to £1.96m

TRADING CONDITIONS for comber, dyer and spinner, British Mohair Spinners, proved much better than expected and second-half 1982 taxable profits surged from £317,000 to £1.15m, leaving the figure for the year £1.11m ahead at £1.96m.

With stated earnings per 25p share rising from 4.96p to 9.58p the year's dividend is lifted to 4.2p (4p) net with a higher final of 3.24p (3.04p).

Mr J. A. Clough, chairman, says the outlook is encouraging. Order books are stronger than they have been for some time and the profits for the next six months should continue to be satisfactory.

He reports that demand for speciality yarns in the worsted sector revived substantially in the autumn. Additionally exports are becoming increasingly competitive as a result of the weakening of sterling.

Turnover advanced from £22.2m to £25.76m of which £8.81m (£8.14m) was contributed from overseas. Taxable profits were struck after lower interest payable of £30,000 (£113,000), while tax took £723,000 (£286,000), leaving net profits of £1.23m (£616,000).

**● comment**

Notwithstanding its name and symbol, British Mohair Spinners is dependent for only a small part of its fortunes on the popularity of the long silky fleece of the Angora goat. The sales of all the company's speciality fibres, including mohair, contributed only 30 per cent of turnover in 1982. The best performing subsidiary was Jarol, which produces man-made, and cheap, fibres for hand-knitting. Its sales rose by 50 per cent in 1982 to reach £2.5m. Undoubtedly the rising popularity of DIY in a period of high unemployment was the main factor. In 1980 and 1981 when profits slumped almost to vanishing point (and losses were recorded on an inflation-adjusted basis), the group's factories suffered from severe over-capacity although the work-force was cut from 1,750 to 1,350. But this meant that most of the unexpectedly high increase in demand and in sales in 1982 went straight through into the bottom line. The recovery was particularly strong in the fourth quarter but the boost to exports (which accounted for a third of turnover) provided by a falling pound will only be felt in the first half of this year. The share price yesterday rose 4p to 81p where the historic yield is 5.4 per cent.

# Pearl profits improve 17% to £13.5m

A 17 PER CENT improvement in net profits from £11.54m to £13.53m is reported by Pearl Assurance for 1982. The shareholders life profits are lifted 18 per cent from £9.19m to £10.88m, while net profits from the general branch rose from £350,000 to £1.4m.

The dividend for 1982 is increased by 19.6 per cent from 23p to 27.5p with a final of 18p.

Premium income on long term business increased by 7.5 per cent in 1982 from £225.81m to £242.91m. The life branch surpluses for the year rose by 19.5 per cent from £92.92m to £111.12m, of which £98.41m was appropriated to policyholders, £10.88m to shareholders and £1.83m carried forward.

Premium income on short term business rose by 11.3 per cent from £66.43m to £73.92m and the underwriting loss for the year was reduced from £7.28m to £7m, despite the severe winter weather at the beginning of the year.

Underwriting losses in the UK dropped from £8.83m to £5.43m, with the improvements coming in the motor and liability accounts. Underwriting losses on the motor account were cut from £3.29m to £1.03m, the 1981 loss being hit by a £1.6m strengthening in reserves. The property account was affected by the weather, with losses rising from £1.85m to £3.34m.

General branch investment income showed a strong growth of 20 per cent last year from £7.48m to £9.01m. This resulted in profits from general insurance business rising from £350,000 to £1.4m.

The unit-linked subsidiary companies returned useful profits last year. Pearl Assurance (Unit Funds) had a surplus of £817,000, including £335,000 brought forward, and £750,000 was transferred to profit and loss. Pearl Assurance (Unit Linked Pensions) is also trading profitably but at a lower level.

Policyholders in both the Ordinary and Industrial Branches receive higher reversionary bonus rates. On its new compound bonus system, introduced at the beginning of 1982, the rate is £4.70 per cent for assurances and £5.90 per cent on personal pension policies and other policies in the pension annuity fund.

On the old series in the Ordinary branch, the reversionary bonus rate for assurances is lifted 50p to £7.35 per cent of the sum assured for years 1977 and earlier and by 30p to £5.50 per cent for years 1978 to 1982. On personal pension policies, the rates are lifted 70p to £10.25 per cent and 50p to £7.70 per cent respectively.

These policies also receive higher terminal bonus payments.

**● comment**

The market was pleasantly surprised by the results from Pearl Assurance, primarily because its general insurance business showed such a good improvement, when other insurance groups have reported varying degrees of deterioration on their general business. The property account was affected by last year's severe winter, but the motor account showed reduced losses, albeit at the expense of a further loss in numbers covered. The life profits were in line with expectations. Results for this year should show some benefit from the branch reorganisation, while general insurance losses should be cut still further because of the mild winter. Life profits should continue their steady growth. The company has passed on the earnings improvement in a substantially higher dividend payment and the market reacted with a 30p increase in share price to 825p, yielding 6.5 per cent gross.

# Rockware depressed at £0.6m

WITH REDUCED second half pre-tax profits of £1.09m against £2.25m, Rockware Group ended 1982 with lower profits of £605,000 compared with £899,000. In the light of last year's performance, when there were extraordinary debits of £10.7m, and in order to conserve cash, the directors have decided to miss the final dividend.

In the last full year a single payment of 2.1p was made.

The outcome for 1983 is "unusually difficult" to predict, say the directors. If the long-awaited upturn in the economy begins to show in the second half of the year this should have a beneficial effect on the markets in which this manufacturer of glass and plastic containers operates.

Given a modest improvement in the market and a return to more realistic pricing levels over the medium term the group will see a marked upward trend and a return to acceptable profits.

Group turnover fell from £161.58m to £141.75m.

During the year under review the recession, and its related destocking, continued to bite and the progressive price war among UK glass container companies, together with fierce competition from imports, placed margins under considerable pressure during 1982. The order book is now somewhat stronger and the outlook will improve when more rational pricing levels are achieved, the directors say.

To maintain prices the glass company suffered a loss of market share. The market was also depressed by the deepening recession and decline in volume terms for the third successive year. Operating profits slipped to £4.5m (£5.56m) on sales of £103.98m (£112.97m).

Pre-tax profits were struck after exceptional costs, mainly due to redundancy, of £163,000 (£802,000). Interest charges amounted to £4.61m (£4.66m). There were associate profits this time of £160,000 (losses £77,000).

Tax came to £76,000 (£225,000). There were higher exchange profits of £46,000 (£19,000). Extraordinary debits this time were £644,000 (£10.7m), and after dividend payments of £32,000 (£496,000) retained losses fell from £10.59m to £7,000.

Earnings per share are shown as 2.88p (2.81p).

Current cost pre-tax losses were £2.62m (£2.57m) and losses per share stood at 11.4p (12.8p).

Sir Peter Parker will become chairman on a non-executive basis as soon as duties with British Rail allow him to do so.

**● comment**

Stock market analysts could hardly have been more wrong in their forecasts of Rockware's 1982 results. Obviously cheered by the significant loss reduction at the halfway stage, at least three broking firms were looking for pre-tax profits of around £2m. In the event, profits slumped even lower than the depressed level of the previous year and the board has unsurprisingly elected to pass the dividend. The expected benefits of drastic cutbacks failed to materialise in the year's second half, as did the hoped for reduction in the interest burden. A flood of cheap imports has again been blamed for the problems of the glass division, though Rockware is also being squeezed by some of its domestic competitors whose relative strength derives from sound financial backing and advantageous product links. The decline in Rockware's sales suggests a further loss of the company's share in a market which itself is contracting under increasing pressure from the PET plastic bottle. High capital costs have precluded Rockware from entering PET manufacture, though not so some of its major competitors. Sterling's current weakness could help to discourage imports this year, but this could merely provide a brief breathing space. The share lost 4p to 41p, which represents a discount of over 80 per cent to net asset value.

# Folkestone and District Water issue

Folkestone and District Water Company is making an offer for sale by tender of £2.85m 7 per cent redeemable preference stock. The minimum tender price is £101 for each £100 of stock which is redeemable at par on June 30 1988.

The conventional gross yield at the minimum price is 9.9 per cent and the fully grossed up frank income yield is 14.44 per cent.

Brokers to the issue are Seymour Pierce and Co.

**● comment**

The nearest comparable recent issue was the Sutton Water 7 per cent redeemable preference stock with the same redemption date. This was well oversubscribed and current bids are at £102 with no stock offered. At this price the gross redemption yield is 9.61 per cent. Folkestone shows a gross redemption yield of 9.74 per cent at the minimum price and compares favourably with the current yield for gilts which even if they maintain a firm trend, points to a good reception for the issue. With the stock pitched at the acceptance houses ordinary investors will need to tender above the minimum to stand a chance of success in the face of a likely oversubscription.

## Fisons Rights

Of the 7,460,578 new shares offered Fisons by way of rights, 94.52 per cent have been taken up. Those remaining have been sold and the net excess over the subscription price of 208.33p per ordinary will be distributed among the persons entitled thereto.

## Westminster Prop.

The board of Westminster Property Group has announced that it is intended to reconvene the adjourned AGM on May 17 1983. A letter including formal notice of the meeting, will be sent to shareholders as soon as practicable.

# Mellins makes £0.6m cash call

BY CLIVE WOLMAN

The textile company, Mellins, which was the star Stock Exchange performer of 1982 with a share price rise of over 1,700 per cent, yesterday announced a one-for-six rights issue to raise £619,000.

The money will be used to reduce borrowings which currently amount to 336 per cent of shareholders' funds and to facilitate further acquisitions. Mr Toukar Suleyman, a Turkish Cypriot who took over as executive chairman in November, said yesterday that Mellins should shortly be acquiring UK textile subsidiaries to be hived off by large public companies "at a cost which is well below their asset price."

The rights issue price has been set at 100p compared with yesterday's opening share price of 155p. Following the announcement, the share price rose 10p to close at 165p. Mr John Southwell, of stockbroker Laing and Cruickshank which is underwriting the issue, explained that the large discount was necessary because of "the uncertainty of the company's prospects in the first half." Mr Suleyman, who owns 25 per cent of the equity of the company, and another director owning 5 per cent have already agreed to take up their allotments of shares.

Mellins reported pre-tax losses for 1982 of £536,000 compared with losses of £234,000 in 1981. Since November, Mr Suleyman has bought the children's wear division of Paula Lee and Cuta-Wear Fashions from the receiver and a U.S. textile marketing company, Michael de Leon. The workforce in its Norfolk factory has also been reduced.

The prospectus makes no profits forecast for the first half of 1983 but reports that sales have risen adequately in the first three months of this year.

The balance sheet, as of March 18, shows that the company had an overdraft of £560,000 and unsecured loans of £385,000. Shareholders' funds stood at £217,000. But after expenses, which include the re-drafting of the company's articles, the rights issue will boost shareholders' funds by £545,000.

The rights issue, of 619,394 ordinary shares, gives an ex-rights price of 156p. From a price of 20p in November, when Mr Suleyman was appointed, Mellins' shares soared to a peak of 252p, before falling back sharply in reaction to the slump in the share price of Polly Peck.

# Lorlin out of 'strait jacket'

BY DOMINIC LAWSON

Stockbrokers Hichens Harrison have placed 1.32m ordinary shares of Lorlin Electronics at 80p each on the Unlisted Securities Market. At that price Lorlin, which is principally engaged in the design and manufacture of switches for electronic and electrical equipment, will be capitalised at £4m.

No money is being raised by the company, the placing representing the sale of shares by the 72 year old non-executive chairman, Mr Sidney Berk, and his daughters.

Lorlin is forecasting £400,000 pre-tax for 1983, which at the placing price represents a prospective fully taxed PE of 20.8. The prospective dividend yield based on total dividends of 1p net per share at the placing price, is 1.8 per cent.

Lorlin started business in 1961, and in 1978 made pre-tax profits of £225,000. However that figure was not exceeded until last year when it made £306,000. In 1980 the company incurred a pre-tax loss of £190,000 which included a loss of £379,000 from the capacitor division which was subsequently sold.

Mr Denis Bailey of Hichens Harrison yesterday described Lorlin as: "A super little company getting out of a strait jacket." The managing director of Lorlin, Mr Ronald Holloway added that "the family constraints on the business are no longer with us, and I believe that we are at the beginning of a period of expansion. We are only scratching the surface of our potential market."

**● comment**

Lorlin Electronics has a very large share of its basic home market, so growth to justify the rating placed on the shares will probably have to come from moves into overseas markets. The company certainly has ambitions both in the Far East and in the U.S., but the investor must to a large extent take those prospects on trust. Hitherto Lorlin's profits record has been very patchy, although it seems that there has been some consistency since the loss making capacitor division was sold in 1980. To make a profits forecast when only 12 weeks into the year is quite unusual, although the directors' "confidence" is based on the assumption that there will be virtually no adverse trading conditions for the rest of the year. The prospective fully taxed p/e of almost 21 looks rather cheeky, but the issuing house's associations with Arlen Electrical and Kennedy Brookes will probably encourage the required amount of speculative interest in Lorlin.

## DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corres-ponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| Astbury & Madeley | 3.75 | — | 4 | 5 | 5 |
| British Mohair | 3.24 | May 27 | 3.04 | 4.2 | 4 |
| Burmah Oil | 7.5 | July 1 | 7 | 9 | 8.5 |
| I. J. Dewhirst | 0.92 | July 1 | 0.79* | 1.27 | 1.09* |
| Empire Stores | 0.1 | June 30 | 1.35 | 0.1 | 2.55 |
| John Finlan | 3.25 | June 1 | 3.25 | 6.25 | 6.25 |
| Gill & Duffus | 4.8 | July 1 | 4.3 | 8.4 | 8.4 |
| Hewden-Stuart Plant | 0.8 | July 8 | 0.8 | 1.28 | 1.28 |
| Higgs and Hill | 5.75 | June 13 | 4 | 9 | 6.5 |
| Huntleigh Group | 1.2 | July 1 | 0.9 | 2 | 1.7 |
| Jersey Electricity | 11 | May 27 | 10 | 15 | 14 |
| Kalamazoo int. | 0.83 | May 23 | 0.83 | — | 2.5 |
| Oilfield Inspection‡ | 1.3 | June 7 | — | 2.3 | — |
| Pearl Assurance | 18 | June 15 | 14.5 | 27.5 | 23 |
| Rockware Group | Nil | — | 2.1 | — | 2.1 |
| Royal Worcester | 5.7 | May 18 | 5.7 | 8.6 | 8.6 |
| George Spencer | Nil | — | Nil | 0.1 | 0.1 |
| Wilson (Connolly) | 2.35 | July 2 | 1.75 | 3.75 | 3 |

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock.

## Granville & Co. Limited

(formerly M. J. H. Nightingale & Co. Limited)

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

**Over-the-Counter Market**

| 1982-83 High | Low | Company | Price | Change | Gross div.(p) | Yield % | P/E Actual | P/E Fully taxed |
|---|---|---|---|---|---|---|---|---|
| 142 | 120 | Ass. Brit. Ind. Ord. | 135 | — | 6.4 | 4.7 | 7.9 | 10.3 |
| 158 | 117 | Ass. Brit. Ind. CULS | 151 | — | 10.0 | 6.6 | — | — |
| 74 | 57 | Airsprung Group | 62 | — | 6.1 | 9.8 | 17.7 | 17.7 |
| 46 | 30 | Armitage & Rhodes | 30 | — | 4.3 | 14.3 | 3.3 | 5.9 |
| 315 | 197 | Bardon Hill | 316 | — | 11.4 | 3.6 | 13.2 | 16.7 |
| 141 | 100 | CCL 11pc Conv. Pref. | 141 | + 1 | 15.7 | 11.1 | — | — |
| 270 | 210 | Cindico Group | 210 | — | 17.6 | 8.4 | — | — |
| 85 | 52 | Deborah Services | 52 | — | 6.0 | 11.5 | 3.4 | 8.3 |
| 96 | 77 | Frank Horsell | 96 | — | — | — | 8.0 | 8.6 |
| 94½ | 75½ | Frank Horsell Pr Ord 87 | 94½ | — | 8.7 | 9.2 | 10.5 | 11.3 |
| 83 | 61 | Frederick Parker | 62 | — | 7.1 | 11.5 | 3.3 | 6.2 |
| 55 | 34 | George Blair | 34 | — | — | — | 5.9 | 12.3 |
| 100 | 74 | Ind. Precision Castings | 79 | — | 7.3 | 9.2 | 10.1 | 12.7 |
| 159 | 100 | Isis Conv. Pref. | 159 | + 1 | 15.7 | 9.9 | — | — |
| 143 | 94 | Jackson Group | 142 | — | 7.5 | 5.3 | 4.4 | 8.0 |
| 205 | 111 | James Burrough | 205 | + 1 | 9.6 | 4.7 | 15.0 | 18.7 |
| 260 | 148 | Robert Jenkins | 154 | — | 20.0 | 13.0 | 1.6 | 24.4 |
| 83 | 54 | Scruttons "A" | 71 | — | 5.7 | 8.0 | 8.2 | 11.1 |
| 167 | 112 | Torday & Carlisle | 114 | — | 11.4 | 10.0 | 5.1 | 6.7 |
| 29 | 21 | Unilock Holdings | 25½ | — | 0.46 | 1.8 | — | — |
| 85 | 64 | Walter Alexander | 66 | + 1 | 6.4 | 9.7 | 4.7 | 6.8 |
| 270 | 214 | W. S. Yeates | 263 | — | 17.1 | 6.5 | 4.0 | 6.4 |

Prices now available on Prestel page 48146.

## Public Works Loan Board rates

Effective April 13

| Years | Quota loans repaid by EIP† | Quota loans repaid A‡ | Quota loans repaid at maturity§ | Non-quota loans A* repaid by EIP† | Non-quota loans A* A‡ | Non-quota loans A* repaid at maturity§ |
|---|---|---|---|---|---|---|
| Up to 3 | 10¾ | 10⅞ | 10⅞ | 11¼ | 11⅜ | 11⅜ |
| Over 3, up to 4 | 10¾ | 10⅞ | 11 | 11¼ | 11⅜ | 11½ |
| Over 4, up to 5 | 10⅞ | 10⅞ | 11⅛ | 11⅜ | 11⅜ | 11⅝ |
| Over 5, up to 6 | 10⅞ | 11 | 11¼ | 11⅜ | 11½ | 11⅝ |
| Over 6, up to 7 | 11 | 11 | 11⅜ | 11⅜ | 11½ | 11⅝ |
| Over 7, up to 8 | 11 | 11⅛ | 11⅜ | 11⅜ | 11½ | 11⅝ |
| Over 8, up to 9 | 11⅛ | 11⅛ | 11¼ | 11½ | 11½ | 11⅝ |
| Over 9, up to 10 | 11⅛ | 11¼ | 11⅛ | 11½ | 11½ | 11⅝ |
| Over 10, up to 15 | 11⅛ | 11⅛ | 10⅞ | 11⅜ | 11⅜ | 11¼ |
| Over 15, up to 25 | 10⅞ | 10⅞ | 10⅝ | 11⅛ | 11¼ | 10⅞ |
| Over 25 | 10¾ | 10¾ | 10½ | 11 | 10⅞ | 10¾ |

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

# UK COMPANY NEWS

## Higgs and Hill expands by 27%

AN INCREASE of 27 per cent in pre-tax profits from £3.64m to £4.63m has been shown by Higgs and Hill for 1982. The dividend is being raised and the directors are confident of a further increase in profits in 1983.

Turnover of this international construction and property group climbed by £33m to £160m.

With net earnings per 25p share given as rising from 30.3p to 38.4p, the final dividend is being lifted from 4p to 5.75p net, which raises the total from 6.5p to 9p.

Although the group operates in a highly competitive environment, the directors say they are nevertheless confident of a further increase in profits in 1983.

UK construction increased both profits and turnover in a reduced market. While it has become increasingly difficult to replace work at satisfactory margins, the directors expect both profit and turnover to be at a similar level in 1983.

Overseas construction made "good progress" with current contracts and has secured new work in Barbados and Egypt.

Tax for the year rose from £891,000 to £1.17m. After minorities of £6,000 (£12,000) attributable profits increased from £2.73m to £3.46m. Dividends absorb £819,000 (£594,000) leaving a transfer to reserves of £2.64m against £2.13m.

On a current cost basis pre-tax profits were £4.63m (£3.38m) and earnings per share 38.2 (27.4p).

**● comment**

Higgs and Hill's profits have been soaring ever since the recession struck 3½ years ago and it withdrew from civil engineering. Nearly 50 per cent of its turnover from UK construction comes in the form of management fees which have proved fairly immune to cyclical downturns. Diversification overseas, in Egypt and the Caribbean, from where 15 to 20 per cent of group turnover now comes, has also helped. The group is working on a £50m contract to construct the Trinidad Halls of Justice which should be completed next year and in February it won a £25m contract for the design, management, construction and equipping of a hospital in Giza, Egypt. In the UK, the group's property portfolio, concentrated in commercial and industrial property in the South-East and south-west Scotland, has performed disappointingly. But rental income rose from £724,000 to £826,000. There has been an upturn since the year-end in house-building which is targetted at the middle-range buyer (average price £45,000) in the Home Counties. The number of units built is expected to rise from 200 to 300 this year. The share price yesterday rose 16p to 336p, 13.3 times historic fully-taxed earnings, where the yield is 3.9 per cent.

## IBS calls on shareholders for £2.52m via a rights

Immediate Business Systems, which came to the Unlisted Securities Market in February last year, is calling on shareholders for approximately £2.52m net by a rights issue on a one-for-four basis.

Giving reasons for the issue Mr Mark Shelmerdine, the chairman, reminds members that in the prospectus last year it was stated that in its first year of operation the group would incur a "substantial" trading loss.

However, the estimated loss to March 31 last, at not more than £1.65m, is higher than originally anticipated.

Mr Shelmerdine comments that this, combined with significant product development expenditure and a delay in obtaining confirmed orders, means that substantial funds are required to enable the group to finance its operations, both in manufacturing and research and development, and to provide working capital.

The group designs, manufactures and markets a computer billing system.

A new venture is with the China Light and Power Company of Hong Kong which has indicated its intention to purchase one of its systems. This would comprise some 190 portable machines with associated host computers for installation early in 1984.

The company is issuing 1.35m new 10p shares at 198p each.

The issue is being underwritten by stockbrokers Margetts and Addenbrooke East Newton.

**● comment**

Since it came to the USM in February 1982, Immediate Business Systems' share has climbed steeply from the placing price of 90p to a peak of 280p shortly after the company announced a larger than expected interim loss of £800,000 at December 31. But, if the share price has moved illogically at times, there is no question that IBS has captured the imagination of investors in no small way. Little wonder then that the directors have taken advantage of the current price strength to raise additional funds. The delay in obtaining confirmed orders and the fact that the proceeds of the cash call will be used for further development of pilot projects could result in a measure of understandable caution from investors. But against that, IBS has an acknowledged technological lead in portable billing machines, and its products appear to be working well in the field. One major concern, however, is that a prolonged delay in securing sizeable orders could enable the competition to encroach on IBS's technological lead. Even so, the offer price on the issue represents a 23.8 per cent discount to the prevailing market price of 260p, which shows some recognition of the speculative nature of the stock.

## Wilson (Connolly) up 22% to £10.1m

A SHARP improvement by the housing and contracts side enabled Wilson (Connolly) Holdings to return profits of £10.1m pre-tax for 1982, an increase of 22 per cent over the previous year's £8.32m.

Giving shareholders the right to "enjoy the fruits of this success" the directors are raising the total dividend by 0.75p to 3.75p per 25p share by a final of 2.35p. They are also proposing a scrip issue on a one-for-one basis.

Turnover for 1982 rose by 10 per cent to £43.71m (£39.8m). A divisional breakdown of these figures and pre-tax profits shows: housing and contracts £39.93m (£32.64m) and £8.34m (£6.04m), property sales £2.48m (£6.11m) and £665,000 (£1.43m) and rents £1.3m (£1.06m) and £1.1m (£853,000).

Commenting that the rise in turnover and profits was the group's eighth consecutive yearly advance new chairman Mr L. A. Wilson points out that with sites spread from Swansea to Felixstowe and from Portsmouth to Grimsby it had a market share last year of around 1.5 per cent and "room for continued controlled growth."

He reveals that the group now operates from ten area offices and three regional bases and that once again housing was the "bedrock of the profits performance."

Order books throughout the year showed a steady improvement. At year-end the group's land bank stood at over 8,000 plots, some 500 more than at the beginning of 1982. Its value is considered to be some £4m in excess of book value.

The "very large" development at Portsmouth is going ahead at a pace matching best expectations.

Turnover of Wilson Construction was of the order of £7m in 1982 and profits came through at £500,000. The group was on target with its completion of buildings

In the property sector gross rent roll now amounts to £1.4m a year and a revaluation of the group's portfolio amounting to £20m, revealed a surplus of £3m.

In accordance with the policy of improving the investment portfolio four properties have been retained with a combined rental value of £350,000.

Mr Wilson says cash and liquid funds of £5.8m are in hand and at year-end shareholders' funds had grown to £46m.

On the future he says the group has the determination to succeed and the essential ingredients for further growth. He adds that he hopes to report accordingly at this time next year.

Tax for 1982 took £3.45m (£2.47m) leaving net profits at £6.65m, compared with £5.85m previously. Retained profits totalled £5.81m (£5.17m) after dividend payments of £842,000 (£684,000).

Stated earnings per share rose from 27.3p to 31.1p.

**● comment**

Wilson (Connolly) has added more polish to an already impressive track record by turning in better than expected pre-tax profit growth and hiking its total dividend by a welcome 25 per cent. The bulk of the improvement came from a jump in housebuilding profits, which gained considerable impetus from the latest upsurge in demand and more than compensated for the fall in property sales. Strict cost control and continuing fierce competition among work-hungry sub-contractors helped margins to widen by 2.4 points to 20.9 per cent. Sales of new houses climbed by 25 per cent to 1,500 units. Property sales more than halved, reflecting both the record figures of the previous year and management's stated aim of increasing retentions with an eye to building up the company's portfolio. In the longer term this could cause debt to creep into the balance sheet, but one of the more immediate effects of the policy has been to increase the rental stream. With buoyant prospects for housebuilding this year, a further 20 per cent pre-tax increase seems well within reach. After starting at 368p, the shares touched 381p before settling down at 372p for a slim 1.4 per cent yield and a fully taxed prospective p/e of over 13.

## Guinness Peat

Of the 66,998,557 new ordinary shares in Guinness Peat Group offered by way of rights, over 93.5 per cent have been taken up. The balance has been sold.

The excess over the subscription price (after deducting expenses of the sale) of approximately 14.858p per share will be distributed amongst the original allottees.

## Burmah profits unchanged at £81m pre-tax

VIRTUALLY unchanged taxable profits are reported by Burmah Oil for 1982, but the dividend is increased from 8.5p to 9p net per £1 share, with a final of 7.5p.

Turnover of this oil-based international industrial enterprise expanded from £1.41bn to £1.54bn for the 12 months ended December 31 last and the pre-tax figure amounted to £81m, compared with a restated £81.4m.

After higher tax, however, of £51.5m against £44.7m, earnings per share are shown down from 23.4p to 18.33p.

At the interim stage profits had slipped to £30.3m (£33m) and the directors said that the full year's outcome remained uncertain, although seasonal factors normally produced some improvement in the second six months.

A divisional analysis of pre-tax and interest profits for the year—£104.8m (£106.8m)—show: exploration and production £48.5m (£38.9m); lubricants and fuels £49.1m (£51.2m); retailing and distribution £2m (£1.6m); shipping £10.7m (£5.3m); speciality chemicals £2m (£4m); investment division £9m loss (£0.9m profit); Quinton Hazell £5.2m profit (£4.1m); investment income and unallocated central expenses £3.7m debit (£0.8m credit).

Commenting on results, the directors say that there were major increases in operating profits on the exploration and production side and the LNG operations, but these were largely offset by losses from the Tabbert caravan manufacturing business.

These amounted to £9.4m for the period, some £6.6m higher than in 1981, and action was taken to rationalise the business. The loss contained a large element of stock write-off and related charges.

Contribution from the Thistle oilfield increased by £4.5m to £46.1m as a result of higher production and a higher average sterling oil price.

Exploration costs outside the UK were lower while the profit from gas production in Pakistan benefited from an increase in local gas prices, although virtually all the additional income was absorbed by a higher overseas tax charge, directors point out.

The lubricants and fuels profit held up well in a difficult market in spite of a higher depreciation charge due to a revaluation of assets at the end of 1981, directors state.

An increase in the shipping profit is largely explained by a reduction of £4.4m in the depreciation charge following the 1981 assets revaluation.

Underlying trading loss on the tanker fleet increased by £3m, while the LNG transporation improved to £15.1m (£10.7m), some £2.3m of which resulted from exchange rate movements.

Group operating profits increased slightly to £100.2m (£99.3m), after depreciation, amortisation and depletion of £38.8m (£37.6m), and the pre-tax figure, which included investment income, lower at £4.6m (£7.5m), was struck after interest charges of £23.8m, against £25.4m.

After tax, minorities £2.1m (£2m), and extraordinary debits of £18.5m (£47.6m)—principally closure costs and related provisions £15.9m (£60.9m)—the attributable balance was £8.9m, compared with losses of £12.9m.

Some £14m of the extraordinary items related to Tabbert, mainly to the closure of its caravan activity, directors say.

The directors state that restating the figures for 1981 to "give a fairer representation of the results and financial position of the group" reduced operating profit by £900,000, tax by £400,000 and the adjustment on currency realignments by £600,000. A sum of £1.9m, relating to 1980 and earlier years, has been charged against retained profits at the beginning of 1981. Without these changes, 1982 operating profits would have been £200,000 higher and after-tax profit £400,000 higher.

Sir Alastair Down, chairman, is to retire after the annual meeting on June 3. Mr J. N. Maltby, at present deputy chairman, will become executive chairman. Mr C. Anderson will continue as managing director.

See Lex

### BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Dowding and Mills, M. P. Kent, Land Investors, William Low, Martonair International, New Central Witwatersrand Areas, Peters Stores.

Finals—Ash and Lacy, Associated British Ports, Anglo American Investment Trust, Beauford Group, Benford Concrete Machinery, Brown Boveri Kent, General Investors and Trustees, Green's Economiser, T. C. Harrison, Hestair, House Property of London, Lec Refrigeration, London Brick, Albert Martin, Morgan Crucible, Newarthill, Portals, Austin Reed, Rio Tinto-Zinc, Taylor Woodrow, United Ceramic Distributors.

FUTURE DATES

| | |
|---|---|
| Interims:— | |
| Dubilier | Apr 20 |
| Kwik Save Discount | †Apr 15 |
| M.Y. Dart | Apr 21 |
| Finals:— | |
| Bardsey | Apr 25 |
| British Syphon Industries | Apr 20 |
| Caramo | Apr 21 |
| Cussins Property | Apr 19 |
| Fleming Universal Inv. Trust | Apr 21 |
| Neill (James) | Apr 27 |
| Roberts, Adlard | May 3 |
| Securities Trust of Scotland | Apr 20 |
| Silentnight | Apr 28 |
| Simon Engineering | Apr 25 |
| Stewart Nairn | Apr 19 |
| TR N. America Investment Tr. | May 11 |
| Tate of Leeds | Apr 19 |
| Tilbury Group | *Apr 18 |
| Toye | Apr 19 |
| Whatman Reeve Angel | Apr 28 |

†Amended. *Corrected.

## Hewden-Stuart at £1.44m after second-half slowdown

FOLLOWING THE upturn in first-half results, Hewden-Stuart Plant made a small profit in the second six months to January 31 1983 to finish the year with an attributable pre-tax surplus, *after minorities, of* £1.44m, as against a £0.95m loss previously. Turnover rose by £5m to £86m.

At the interim stage, reporting much higher taxable profits (before minorities) of £1.29m against £0.13m, the directors said they were budgeting for a profit in the second half.

They now say the economic recovery seen last spring was not maintained in the second six months and trading conditions in all aspects of the group were once again very difficult.

However, mainly because of greater efficiency and economy measures, the group was able to remain in overall profit in the second half, in spite of losses in the earthmoving and contracting divisions and a downturn in profits in the other divisions.

Towards the end of the period, signs of a modest upturn were seen and the directors say it now seems likely that a moderate *recovery is underway across the* country.

They believe this view is supported by trading results for the first few weeks of the current year, which show a small improvement on the same period of last year.

Conditions however, remain very competitive, particularly in the earthmoving division. But substantial losses incurred in this area over the last two years are not expected to recur at the same level.

Last year, the directors maintained the dividend—at a cost for the full period of £1.6m—despite the trading loss, in the expectation that the recovery seen last spring would continue throughout 1982. Although this subsequently proved not to be the case, they believe the trading outlook is moderately improved.

The dividend for the period under review is unchanged at 1.275p net with a same-again *final of 0.8p. Stated* earnings per 10p share were 1.85p (1.08p loss) while cash flow per share increased from 9.16p to 12p.

At the trading level, profits were ahead from £10.57m to £12.9m. Pre-tax results were struck after depreciation of £9.04m (£9.29m), interest of £2.32m (£2.5m) and a minorities debit of £97,000 (£259,000 credit).

There was a transfer from deferred tax of £196,000 this time, while ACT was unchanged at £481,000. The retained surplus came out at £27,000, against a £2.56m deficit previously.

The year under review saw the final closures of the group's small engineering interests and a sizeable reduction in the number of employees at Murray Pipework, which is still trading at an unsatisfactory level with an acute shortage of work.

The group's Middle East interests had a very successful year but are now running into a quieter period with evidence of reductions in projected work levels. In other areas, the budgets which the directors have for this year indicate an improved performance.

**● comment**

The worst appears to be over for Hewden-Stuart. Hire rates remain at uneconomic levels in a highly competitive market but there has been some easing of the pressure in recent weeks. Earthmoving, once the back bone of the group, is now much slimmer and should gain from the pick up in public works seen since November. Crane hire will have to await an upturn in the steel and engineering industries but is currently producing a small profit while losses are being contained at the much scaled down Murray Pipework. The strong area at present is its chief profit contributor, the marketing division, where demand for JCB and *other equipment is good* and problems of import dumping seems to be diminishing. Overall, after the surgery of the last two years, the company should achieve substantial gains from any real increase in turnover. By nature of its hiring activity the debt to equity ratio tends to be on the high side. With strong cash flow and not greatly changed replacement costs on three years ago, the company is well able to fund its operations and make a small acquisition, say of hirer in the south of England where rates look a little stronger. Yesterday the disappointing figures and dividend cut left shares down 2p at 33p to yield 5¼ per cent.

## Yearlings total £14.15m

Yearling bonds totalling £14.15m at 10 per cent redeemable on April 18 1984 have been issued this week by the following local authorities.

Aylesbury Vale District Council £1m; Bury Metropolitan Borough Council £0.25m; Kingston upon Hull (City of) £1m; Shepway DC £0.5m; Cleveland County Council £0.5m; Glamorgan (Vale of) BC £0.5m; Hyndburn (Borough of) £0.5m; Llanelli (Borough of) £0.25m; Preseli DC £0.25m; Rochdale Metropolitan BC £0.25m; Sedgefield DC £0.5m; Central Regional Council £0.75m; Chesterfield (Borough of) £1m; Thames Valley Police Authority £0.5m; Northavon DC £0.25m; North Warwickshire BC £0.5m; South Northamptonshire DC £0.25m; Wimborne DC £0.25m; Cardiff (City of) £1.5m; Newport BC £0.5m; Sheffield (City of) £2.65m; South Bedfordshire DC £0.5m.

South Northamptonshire DC has issued £0.5m of 10¾ per cent bonds at par for redemption on April 10 1985.

## RESULTS AND ACCOUNTS IN BRIEF

ASTBURY & MADELEY (HOLDINGS) (industrial and central heating equipment stockholder and distributor)—For 1982: final dividend 3.75p net per 20p share (4p) making 5p (same): stated earnings per share 12.1p (11.3p); turnover £12.27m (£10.55m): pre-tax profits £1.21m (£900,863): tax £525,676 (£260,047): attributable profits £685,806 (£640,816): CCA pre-tax profits £750,000 (£481,000).

JOHN FINLAN (building and construction, property development and investment)—Pre-tax profits for 1982 were £592,021 (£668,338) on turnover £4.6m (£6.3m). Operating profits £646,259 (£619,261): building profit on properties held for investment and under construction £54,238 (£50,923): tax charge £218,651 (£46,075 credit): final dividend 3.25p net making 6.25p (same), absorbing £187,500 (same). Earnings per 10p share 12.44p (20.48p). In the current year, major part of turnover and profit will accrue in the second half. Chairman is confident of future growth.

HUNTLEIGH GROUP (engineering and electronics group)—Final dividend 1.2p (0.9p) for 1982 making 2p (1.7p) total. Pre-tax profits £803,000 (£1.41m): turnover £17.38m (£14.71m): earnings per share 4.8p (6.7p): interest £391,000 (£366,000): exceptional debit £262,000 (nil): associate losses nil (£76,000): tax £181,000 (£161,000): extraordinary debit nil (£249,000). Directors say that expansion of business is reflected in increased turnover. The trend continues in 1983 which, with actions already taken, augurs well for the year.

KALAMAZOO (business systems and services)—Results for 26 weeks ended January 28 1983: Sales £20.24m (£18.57m); CCA profits, before tax and KWA bonus £1.33m (£433,000); interim dividend 0.83p (same) net per 10p share. Directors say profits are showing some movement towards the levels which they consider more normal and necessary.

OILFIELD INSPECTION SERVICES (USM quote commenced June 28 1982)—For 1982 (comparatives restated): final dividend 1.3p net (nil) making 2.3p (nil): stated earnings per 20p share 10.7p (10.4p): turnover £11.76m (£9.23m): pre-tax profits £1.35m (£1.04m): including associates £13,000 (nil): tax £617,000 (£352,000): attributable profits £720,000 (£665,000). Directors say prospects for 1983 are encouraging.

GEORGE SPENCER (maker of leisurewear and knitwear)—No final dividend (same) making 0.1p (same) total for 1982. Turnover £11.91m (£12.8m): pre-tax loss £504,000 (£177,000): tax £21,000 (£14,000): loss per 25p share 6.8p (3.3p): extraordinary credit £115,000 (£682,000 debit).

DANAE INVESTMENT TRUST—Net asset value at March 31 1983 was 45p per income share.

JOVE INVESTMENT TRUST—Net asset value at March 31 1983 was 8.12p per capital share.

### BASE LENDING RATES

| | | | |
|---|---|---|---|
| A.B.N. Bank | 10½% | ■ Guinness Mahon | 10½% |
| Al Baraka International | 10½% | ■ Hambros Bank | 10½% |
| Allied Irish Bank | 10½% | Heritable & Gen. Trust | 10½% |
| Amro Bank | 10½% | ■ Hill Samuel | §10½% |
| Henry Ansbacher | 10½% | C. Hoare & Co. | †10½% |
| Arbuthnot Latham | 10½% | Hongkong & Shanghai | 10½% |
| Armco Trust Ltd. | 10½% | Kingsnorth Trust Ltd. | 12 % |
| Associates Cap. Corp | 11 % | Knowsley & Co. Ltd. | 11 % |
| Banco de Bilbao | 10½% | Lloyds Bank | 10½% |
| Bank Hapoalim BM | 10½% | Mallinhall Limited | 10½% |
| BCCI | 10½% | Edward Manson & Co. | 11½% |
| Bank of Ireland | 10½% | Midland Bank | 10½% |
| Bank Leumi (UK) plc | 10½% | ■ Morgan Grenfell | 10½% |
| Bank of Cyprus | 10½% | National Westminster | 10½% |
| Bank Street Sec. Ltd. | 10½% | Norwich Gen. Tst. | 10½% |
| Banque Belge Ltd. | 10½% | P. S. Refson & Co. | 10½% |
| Banque du Rhone | 11½% | Roxburghe Guarantee | 11 % |
| Barclays Bank | 10½% | Royal Trust Co. Canada | 10½% |
| Beneficial Trust Ltd. | 11½% | Slavenburg's Bank | 10½% |
| Bremar Holdings Ltd. | 11½% | Standard Chartered | ‖10½% |
| Brit. Bank of Mid. East | 10½% | Trade Dev. Bank | 10½% |
| ■ Brown Shipley | 10½% | Trustee Savings Bank | 10½% |
| Canada Perm't Trust | 11 % | TCB | 10½% |
| Castle Court Trust Ltd. | 11 % | United Bank of Kuwait | 10½% |
| Cayzer Ltd. | 10½% | Volkskas Intl. Ltd. | 10½% |
| Cedar Holdings | 11 % | Westpac Banking Corp. | 10½% |
| ■ Charterhouse Japhet | 10½% | Whiteaway Laidlaw | 11 % |
| Choulartons | 11½% | Williams & Glyn's | 10½% |
| Citibank Savings | ¶10 % | Wintrust Secs. Ltd. | 10½% |
| Clydesdale Bank | 10½% | Yorkshire Bank | 10½% |
| C. E. Coates | 11 % | | |
| Comm. Bk. of N. East | 10½% | | |
| Consolidated Credits | 10½% | | |
| Co-operative Bank | *10½% | | |
| The Cyprus Popular Bk. | 10½% | | |
| Duncan Lawrie | 10½% | | |
| E. T. Trust | 11 % | | |
| Exeter Trust Ltd. | 11½% | | |
| First Nat. Fin. Corp. | 13 % | | |
| First Nat. Secs. Ltd. | 13 % | | |
| Robert Fraser | 11½% | | |
| Grindlays Bank | ‡10½% | | |

■ Members of the Accepting Houses Committee.
* 7-day deposits 7.5%. 1-month 7.75%. Short-term £8,000/12-months 10.1%.
† 7-day deposits on sums of under £10,000 7½%. £10,000 up to £50,000 8¼%. £50,000 and over 9%.
‡ Call deposits £1,000 and over 7½%.
‖ 21-day deposits over £1,000 8½%.
§ Demand deposits 7½%.
¶ Mortgage base rate.

# Lex Service buys Jermyn

BY CHARLES BATCHELOR

Lex Service, the sole importer and distributor of Volvo cars in the UK, has paid £15.3m in shares for Jermyn Holdings, a privately-owned electronic components distributor.

The purchase marks a major expansion of Lex in the electronics field in the UK and Continental Europe and follows the acquisition of Schweber Electronics, a leading U.S. group, and Hawke, a small British distributor, at the end of 1981.

Jermyn, among the top five UK distributors of electronic components, made an operating profit of £1.17m on turnover of £30.22m in 1982. It had net tangible assets of £5.7m at December 31, 1982.

"This gives us a broad base to work from in the U.S., the UK and Europe," Lex said. "It will provide ample growth to fulfill our strategic goals in turnover and profit terms."

Electronic distribution is expected to account for about 26 per cent of Lex's turnover of around £700m this year though the profit contribution appears unlikely to match this.

Phillips and Drew placed 6.6m Lex shares through the market yesterday at 231p with a number of institutions. The new shares do not rank for the proposed 5p final 1982 dividend.

Jermyn, based at Sevenoaks, Kent, was 85 per cent owned by founding director Mr. Tom Jermyn and managing director Mr Peter Smitham.

The company started life in 1964 as a manufacturer of electrical components but stopped most manufacturing in 1981 to concentrate on the distribution of semi-conductors, passive components and micro-processors.

Apart from its UK operations it is the sixth largest company in its field in West Germany and also operates in France. Its major franchises include Hewlett Packard, Intel, Motorola, Mullard, National Semiconductor and Texas Instruments.

The UK semi-conductor market is currently growing at only 12.5 per cent a year but distributor sales are rising more quickly, by 17.5 per cent. Total growth for the next five years is expected to be 19.5 per cent annually but sales by distribution will grow by 24.5 per cent.

Jermyn's operating profit was "substantially ahead" in the first quarter of 1983 over the same 1982 period

# Bizarre twist in Lonrho's battle to demerge Harrods

BY JOHN MOORE, CITY CORRESPONDENT

A BIZARRE new twist in Lonrho's long-running battle for influence in the affairs of House of Fraser developed yesterday as Lonrho attempted to put forward its own resolution calling on Fraser shareholders to support a plan for the separation of Harrods from the Fraser stores empire.

At the same time during yesterday's war of words and paper between the two groups, House of Fraser issued its own circular to shareholders calling on Fraser shareholders to support the board's recommendation that a demerger of Harrods should not go ahead.

Lonrho is attempting to force the board of Fraser to put its own resolution at the same extraordinary general meeting on May 6 at which the Fraser group's resolution is to be discussed.

"If for any reason House of Fraser should persist in denying shareholders the possibility of voting on the resolution as put by Lonrho at that meeting then Lonrho will seek to adjourn the meeting until such time as both resolutions can be considered together," Lonrho said.

House of Fraser said yesterday that it "regrets that Lonrho has seen fit to requisition a further extraordinary general meeting of the company and will advise shareholders of its views about this in due course."

The Fraser resolution reads: "That this meeting accepts the recommendations of the board of directors to shareholders that Harrods should remain within the House of Fraser group and expresses confidence in the board."

The Lonrho resolution reads: "That this meeting approves the proposal to demerge Harrods, first considered by shareholders in general meeting on November 4 1982."

The new strategy of Lonrho was launched on Tuesday afternoon when it requestioned a further meeting of Fraser shareholders and yesterday afternoon followed the initiative up with a call that the meetings should be considered together on the same day.

Lonrho said yesterday that "it deeply regrets that in an apparent effort to frustrate the free expression of shareholders opinion through a straightforward vote on the issue of demerger, the board majority at House of Fraser have chosen to present to shareholders a resolution linking the issue of demerger with a vote of confidence."

Lonrho, which holds 29.99 per cent of the Fraser equity and which can count on the support of a further 3 per cent of the equity held by trusts of the family of Sir Hugh Fraser, the deposed chairman of the group, has been arguing that Harrods should be floated off from the rest of the group in a demerger. Lonrho has two seats on the Fraser board and urged shareholders to take no action on the Fraser circular until their representatives on the Fraser board had written to shareholders.

In a campaign which is likely to cost Fraser £400,000 to ward off the latest threat by Lonrho, Fraser directors say in the circular to shareholders that a demerger would weaken the competitive position of both separated parts of the group and profitability would fall.

A demerger would increase costs of both House of Fraser and Harrods, while the separated parts would also pay more tax and the quality of management would decline.

Fraser believes that a new trading strategy will lead to a very substantial increase in profits and to a significant return on capital. Fraser directors say that a failure to embark on this course will lead to a gradual erosion of the company's market share and profitability.

The board says that the utilisation of Harrods cash flow and borrowing capacity in the company's investment programme is financially and fiscally efficient. Vigorous action is already being taken from within the group and by recruitment from outside. Duties are being reallocated at senior level to give maximum thrust to the company's merchandise and store development programmes.

The board has concluded that a sustained improvement in the share value would be more likely to result from the successful implementation of the new trading strategy.

Fraser has had the benefit from Harrods cash flow in the past, but has now the opportunity to invest the surplus funds in a major repositioning of the whole busines, said the board. The board's projections suggest that House of Fraser, including Harrods, can finance an additional capital expenditure programme without damage to the substance of the group.

The board considered other methods of financing the capital expenditure programme including borrowing, rights issues, sales and leasebacks and property disposals.

In the absence of Harrods cash flow the other methods would be either inefficient or insufficient as e source of funds. The board is firmly of the view that the Harrods cash flow is essential to finance the future capital expenditure programme.

It must, said Fraser, be implemented within the next few years to ensure the future of House of Fraser in an increasingly competitive environment.

Fraser director, Mr Ernest Sharp said yesterday that the Lonrho tactics "give capitalism a bad name. I would hope the authorities intervene to prevent this sort of disruption." He added that he did not think the Lonrho resolution achieved anything. "Shareholders only have to say 'no' to ours," he said.

Of the board's invitation to shareholders to express confidence in it, he said Harrods was a "big issue. If they do not agree with us they have lost confidence in us and we might as well say so." Shareholders had so far backed the board against Lonrho.

"We are saying please do so again, and I hope they will then pipe down."



# Fisons spends £1.3m to boost Continental sales

BY DAVID DODWELL

Fisons, the pharmaceuticals and chemicals group, has bought Societa Intersint Italiana, a mothballed Italian pharmaceutical company, for £1.3m.

At present, Fisons has just a marketing subsidiary in Italy. Once production at Societa has begun, Italy will become the second country on tha continent to be e manufacturing base for Fisons—markets in Europe are now served by plants in the UK and France.

Italy is the world's fifth largest market for pharmaceuticals, according to Fisons, and one aim will be to boost the company's sales there.

A second aim will be "further penetration of the European market." Sales to the continent amounted in 1982 to almost £69m, and generated profits of £12m. This accounted for 20 per cent of total group sales in 1982, and 40 per cent of total profits amounting to £29.9m.

Intersint was a family-run company which was progressively wound down following e decision by the owners to dispose of it. Based south of Rome, it has a modern "sterile suite," and manufacturing licences which will greatly improve Fisons' ability to raise sales in Italy.



MINING NEWS

# Palabora shows the way to cut costs

By Kenneth Marston, Mining Editor

WHILE virtually every other copper mine in the world lost money last year as a result of the weak metal price, the Rio Tinto-Zinc group's Palabora open-pit operation in South Africa, which mines low-grade ore, managed to raise earnings to R27.9m (£16.7m) from R19.8m in 1981.

Part of the reason for the increase was a sizeable sale of by-product uranium, but the key factor was the mine's containment of costs which allowed profits to be made on the increased copper production.

Mr G. A. Macmillan, the chairman, points out in the annual report that while the South African consumer price index rose by 14.8 per cent in the year, Palabora's cost of producing copper cathodes increased by only 3.8 per cent.

This was achieved as a result of cost-saving measures implemented in recent years. Notably, they include the trolley assist system whereby the big 150-ton haul trucks, which are driven by electric motors using power generated by their diesel engines, can also draw electric power from overhead lines.

This "trolley bus" system saved 17m litres of expensive diesel fuel in the first full year of operation and resulted in a net energy saving of over R5m for Palabora. Another advantage was that the system almost doubled the speeds of the loaded trucks, thus reducing turn-round times.

These speeding monsters were also put under the control of a computer which directs them to the particular shovel loader machine with the highest priority; there is no time for queues at the open-pit. Without the computer the mine would need to increase its haul truck fleet from 78 to 94 units at a cost of R20m in order to carry the same amount of material.

Looking towards current year's prospects Mr Macmillan points to signs of modest recoveries in the U.S. housing and automobile industries, two key areas of copper demand. If these improvements are maintained, copper demand and prices should thus improve.

The company, with a carry-over of anode stocks, is well placed to maintain sales at reasonably high levels and it has also concluded another large sale of uranium. "We can therefore look forward to a reasonably satisfactory year, but much will depend on the level of copper prices," says Mr Macmillan.

# Northgate 'a top Canadian gold miner'

CANADA'S Northgate Exploration has become "a significant entity in the Canadian mining industry, ranking among Canada's top gold producing companies," says Mr Pat Hughes, the chairman, in the annual report.

He bases this view on the group's acquisition of the Chibougamau mines in Quebec which are expected this year to produce more than 29m lb of copper, 60,000 oz gold, 175,000 oz silver and 1m lb zinc.

Last year they produced 28m lb copper, 56,000 oz gold, 237,000 oz silver and 11m lb zinc. The lower output of silver and zinc expected this year reflects the exhaustion of the Lemoine mine's ore reserves.

Last year, Northgate made e loss of C$13m (£6.9m) compared with a loss of C$4.1m in 1981. The group's debts were rescheduled in order to provide an extension of two years, until 1985, of the commencement of the long-term loan repayment.

As already announced, Northgete has filed a preliminary prospectus as e prelude to raising between C$15m and C$20m via a public offering of common shares and share purchase warrants. The proceeds will be used to reduce debt and increase working capital.

# Silvermines sells 9% Aran stake

Silvermines, the Irish minerals company, yesterday sold its 9 per cent stake in Aran Energy, the Dublin-based oil and gas company with stakes in the Irish Sea and the North Sea.

The sale has raised about £730,000 for Silvermines which the company intends to use to develop its own interests in oil and gas production and high technology investment.

A large proportion of the shares sold have been taken up by Aran managing director, Mr Michael Whelan, who now holds a stake of almost 8 per cent. Existing Aran shareholders, including Jefferson Smurfit, have taken up the remainder of the shares on offer.

Mr Frank Traynor, managing director of Silvermines, said his company was seeking investments in the U.S. and the UK, using liquid cash of £1m, and access to further bank credits amounting to about £750,000.

## S. PEARSON & SON/ PEARSON LONGMAN

Following the offers by S. Pearson and Son for the 5.25 per cent and 7 per cent preference shares of Pearson Longman acceptances have been received as follows: 146,277 5.25 per cent preference shares (85.2 per cent of shares subject to offer), 76.5 per cent of the holders; the group held 86,515 prior to the offer; 146,362 7 per cent preference shares (84.5 per cent) 76.4 per cent of the holders; the group held 85,886 prior to the offer.

The offers have been extended until April 26 1983 or such later date as the group shall decide.

## APPROACH TO BENN BROTHERS

Benn Brothers, publisher of specialist journals, announced yesterday that it had received an "unsolicited approach" which may lead to an offer.

# Harbour Lights still shining

MORE good gold values ranging up to 13.3 grammes per tonne over e width of 22 metres are reported by Carr Boyd Minerals from its promising Harbour Lights prospect near Leonora in the Eastern Goldfields region of Western Australia.

The company hopes to establish proven and probable ore reserves during the September quarter of this year. Meanwhile further drill results are expected by the end of June and new gold prospects have been identified for further examination.

Carr Boyd hold a 40 per cent stake in Harbour Lights with Esso, as the operator, holding 55 per cent and Aztec Exploration with the remaining 5 per cent. Hill Minerals has an interest of 19.9 per cent in Carr Boyd.

As already reported both Carr Boyd and Hill Minerals are aiming to raise A$21.37m (£12.2m) via rights issues. Carr Boyd holders are to be offered one new share at A$1 for every three held while those of Hill Minerals are being offered one share at 55 cents for every one share held.

## SAXON OFFER

By 3 pm on April 12, the first closing date of Clyde Petroleum's offer for Saxon Oil, acceptances had been received for 303,325 shares (2.02 per cent). The offer is being extended until 3 pm on April 26.

Before the offer was announced on March 9 1983, Clyde held 1.5m Saxon shares (9.98 per cent).

# UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

| | Indl. prod. | Mfg. output | Eng. order | Retail vol. | Retail value* | Unem-ployed | Vacs. |
|---|---|---|---|---|---|---|---|
| 1982 | | | | | | | |
| 1st qtr. | 100.7 | 89.2 | 90 | 106.5 | 141.2 | 2,579 | 112 |
| 2nd qtr. | 101.1 | 88.9 | 89 | 106.8 | 145.1 | 2,763 | 107 |
| 3rd qtr. | 101.4 | 88.0 | 84 | 108.9 | 150.7 | 2,937 | 111 |
| 4th qtr. | 101.4 | 87.2 | 87 | 110.7 | 184.5 | 3,013 | 115 |
| June | 100.3 | 88.1 | 76 | 107.2 | 144.5 | 2,773 | 106 |
| July | 101.2 | 87.9 | 82 | 108.0 | 151.9 | 2,814 | 111 |
| August | 101.3 | 87.9 | 84 | 108.4 | 150.5 | 2,832 | 114 |
| September | 101.6 | 88.0 | 85 | 109.3 | 149.2 | 2,880 | 107 |
| October | 101.6 | 87.4 | 82 | 109.2 | 158.6 | 2,885 | 114 |
| November | 100.3 | 86.6 | 88 | 110.6 | 171.5 | 2,906 | 114 |
| December | 102.2 | 87.5 | 86 | 112.2 | 215.5 | 2,948 | 118 |
| 1983 | | | | | | | |
| 1st qtr. | | | | | | 3,069 | 124 |
| January | 102.4 | 89.8 | | 110.1 | 154.7 | 2,982 | 122 |
| February | | | | 111.1 | | 3,091 | 124 |
| March | | | | | | 3,030 | 126 |

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

| | Consumer goods | Invst. goods | Intmd. goods | Eng. output | Metal mnfg. | Textile etc. | Housg. starts* |
|---|---|---|---|---|---|---|---|
| 1982 | | | | | | | |
| 1st qtr. | 92.4 | 90.7 | 121.2 | 86.1 | 81.5 | 74.2 | 14.7 |
| 2nd qtr. | 91.9 | 91.4 | 122.1 | 88.4 | 78.0 | 72.7 | 17.5 |
| 3rd qtr. | 91.3 | 90.3 | 122.7 | 85.7 | 72.5 | 70.7 | 17.1 |
| 4th qtr. | 92.2 | 88.6 | 122.5 | 84.9 | 69.6 | 71.9 | 15.0 |
| May | 93.0 | 91.0 | 123.9 | 87.0 | 80.9 | 74.0 | 17.7 |
| June | 91.0 | 91.0 | 121.0 | 86.0 | 73.0 | 70.0 | 17.6 |
| July | 91.0 | 90.0 | 122.0 | 85.0 | 72.0 | 70.0 | 18.7 |
| August | 91.0 | 90.0 | 122.0 | 86.0 | 72.0 | 69.0 | 15.7 |
| September | 92.0 | 90.0 | 123.0 | 86.0 | 73.0 | 72.0 | 19.9 |
| October | 93.0 | 88.0 | 123.0 | 85.0 | 71.0 | 72.0 | 15.5 |
| November | 91.0 | 89.0 | 120.0 | 85.0 | 67.0 | 69.0 | 17.2 |
| December | 93.0 | 89.0 | 124.0 | 86.0 | 70.0 | 72.0 | 12.5 |
| 1983 | | | | | | | |
| January | 94.0 | 91.0 | 123.0 | 86.0 | 75.0 | 71.0 | 16.2 |
| February | | | | | | | 19.8 |

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

| | Export volume | Import volume | Visible balance | Current balance | Oil balance | Terms trade | Resv. US$bn* |
|---|---|---|---|---|---|---|---|
| 1982 | | | | | | | |
| 1st qtr. | 127.5 | 125.5 | +235 | +589 | +698 | 101.2 | 18.97 |
| 2nd qtr. | 131.4 | 130.2 | +122 | +803 | +858 | 101.2 | 17.70 |
| 3rd qtr. | 125.1 | 123.7 | +609 | +847 | +1,313 | 100.5 | 18.30 |
| 4th qtr. | 131.4 | 124.0 | +1,262 | +1,709 | +1,726 | 99.3 | 16.85 |
| June | 129.5 | 126.3 | + 80 | +307 | +191 | 101.5 | 17.70 |
| July | 126.5 | 123.8 | +193 | +272 | +449 | 100.7 | 17.94 |
| August | 118.3 | 121.1 | + 91 | +171 | +474 | 101.1 | 18.11 |
| September | 130.7 | 126.1 | +325 | +404 | +390 | 99.7 | 18.30 |
| October | 128.8 | 125.8 | +215 | +364 | +501 | 98.8 | 18.50 |
| November | 132.4 | 122.5 | +539 | +688 | +543 | 99.4 | 15.90 |
| December | 135.0 | 123.8 | +598 | +657 | +692 | 99.7 | 17.00 |
| 1983 | | | | | | | |
| January | 121.0 | 134.2 | −491 | −311 | +510 | 98.8 | 16.85 |
| February | 131.0 | 135.2 | −138 | + 42 | +604 | 99.1 | 16.58 |
| March | | | | | | | 17.34 |

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

| | M1 % | M3 % | Bank advances % | DCE £m | BS inflow | HP lending | MLR % |
|---|---|---|---|---|---|---|---|
| 1982 | | | | | | | |
| 1st qtr. | | | | +3,194 | 967 | 2,157 | |
| 2nd qtr. | 2.1 | 8.2 | 26.2 | +4,535 | 1,344 | 2,210 | |
| 3rd qtr. | 15.2 | 12.6 | 28.3 | +4,842 | 1,796 | 2,396 | |
| 4th qtr. | 19.0 | 13.3 | 26.9 | +5,015 | 2,139 | 2,556 | |
| July | 14.2 | 11.2 | 29.4 | +1,369 | 691 | 703 | |
| August | 17.5 | 12.3 | 26.6 | +2,034 | 437 | 853 | |
| September | 14.2 | 14.0 | 28.8 | +1,418 | 668 | 840 | |
| October | 24.0 | 18.2 | 32.4 | +2,850 | 886 | 808 | |
| November | 17.4 | 12.2 | 25.4 | +1,115 | 763 | 874 | |
| December | 15.9 | 9.8 | 23.2 | +1,068 | 490 | 874 | |
| 1983 | | | | | | | |
| January | 7.6 | 4.2 | 6.7 | +900 | 391 | 872 | |
| February | 9.9 | 5.2 | 13.0 | +813 | 386 | 813 | |
| March | | | | | 350 | | |

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

| | Earn-ings* | Basic matls.* | Whsale. mnfg.* | RPI* | Foods* | FT* comdty. | Strlg. |
|---|---|---|---|---|---|---|---|
| 1982 | | | | | | | |
| 1st qtr. | 216.6 | 238.2 | 234.3 | 311.6 | 297.7 | 242.40 | 91.1 |
| 2nd qtr. | 222.7 | 240.0 | 238.2 | 321.5 | 304.1 | 233.46 | 90.5 |
| 3rd qtr. | 227.8 | 244.9 | 242.0 | 323.0 | 297.0 | 228.88 | 91.4 |
| 4th qtr. | 231.3 | 251.7 | 246.8 | 325.4 | 298.5 | 238.84 | 89.2 |
| June | 226.0 | 243.2 | 239.2 | 322.9 | 304.1 | 233.46 | 91.1 |
| July | 230.3 | 245.0 | 241.0 | 323.0 | 299.5 | 229.51 | 91.2 |
| August | 226.9 | 244.1 | 241.7 | 323.1 | 295.5 | 229.60 | 91.4 |
| September | 226.2 | 245.6 | 243.2 | 322.9 | 295.9 | 228.56 | 91.7 |
| October | 228.0 | 246.1 | 245.1 | 324.5 | 296.5 | 227.18 | 92.5 |
| November | 232.2 | 252.6 | 246.5 | 326.1 | 298.8 | 228.03 | 89.5 |
| December | 233.8 | 255.6 | 248.8 | 325.5 | 300.1 | 238.84 | 85.6 |
| 1983 | | | | | | | |
| 1st qtr. | | 258.4 | 251.3 | | | 277.29 | 80.4 |
| January | 232.2 | 261.1 | 250.1 | 325.9 | 301.3 | 255.45 | 81.9 |
| February | | 257.0 | 251.2 | 327.3 | 302.1 | 266.25 | 80.7 |
| March | | 257.1 | 252.6 | | | 277.29 | 79.1 |

*Not seasonally adjusted.

# UK COMPANY NEWS

## Gill & Duffus in line with forecast as sales top £1bn

IN LINE WITH expectations pre-tax profits at Gill & Duffus Group amounted to £12.91m for 1982, against £12.8m for the previous year. Also as expected the dividend has been maintained at 8.4p with a same-again final of 4.8p.

The current year has started with more activity and profitability, say the directors, and they believe the group will show better results in 1983.

Turnover of this international commodity broker, merchant and processor topped the £1bn mark at £1.01bn, against a previous £889m.

During 1982 the directors say they concentrated on strengthening management and financial controls from the centre while preserving the independence of the main trading companies. The subsidiary in Hong Kong was closed because they could not see a profitable future.

Worldwide chemical trading operations continued to lose money throughout the year and at the end of the year the directors decided to discontinue these operations—this has now been virtually completed. Trading losses and the closure costs have been written off in the 1982 profits.

The highlight of the year, say the directors, was the success of the new sugar and grain business, trading out of Geneva and Conecticut, which made a substantial profit.

The year was quiet for the group's traditional commodities—cocoa, coffee and rubber. Nevertheless, the Pacol companies, which trade in all three, had a satisfactory period and in the U.S. Gill and Duffus Inc increased its profits.

In Brazil the coffee exporting company, Unicafe, also had a good year. Cocoa processing factories in the U.S. and Brazil were affected by world overcapacity. The small U.S. oil and gas exploration company continued its development programme, but made a trading loss.

In London trading conditions were quiet in the cocoa market. The metals division has not been a strong area for many years and has been reorganised to offer clients a broking service on the London Metal Exchange. This brings it into line with business carried on in the London Gold Futures Market and the International Petroleum Exchange.

Tax amounted to £5.23m against £6.02m. After minorities, there were extraordinary credits of £305,000 this time from the sale of a 43 per cent holding in Charles Fulton & Co. Attributable profits emerged higher at £7.56m against £6.83m from which ordinary dividends absorbed £5.53m (same).

Earnings per 25p share are given as higher at 11p against 10.4p.

Mr David Pearson, chairman, said later he was optimistic about the outlook for the group this year. "The prospects we see are now very encouraging," he said. "In all our four major commodities the first three months' activity has been good."

**● comment**

Gill and Duffus has had a busy year clearing its decks of broken woodwork and fallen rigging. The Hong Kong operation has been dropped with hardly a splash, having cost £7m in 1981, but the decisien to push chemical trading over the side has added £½m costs to £3m trading losses. Trading in metals and the U.S. money markets has also been discontinued, though the group will act as a broker for clients on the London Metal Exchange in line with its existing roles in the petroleum and gold futures markets. What now remains is a tighter looking ship with most hands employed in the soft commodity areas which have been the company's traditional strengths. The new sugar and grain trading business has made an encouraging start, roughly balancing the losses in chemicals. It has also accentuated the relative contribution of overseas profits, with UK profits apparently bearing the brunt of a dull year in most key markets. This has resulted in an increased overall tax rate despite a nil mainstream corporate tax liability in the UK after making use of stock relief. A revaluation of dollar assets has helped keep the decline in reserves to a minimum despite the write-off of £4.5m of goodwill, mainly on Clarkson Puckle, and a sizeable devaluation of the group's cruzeiro assets in Brazil. At 178p, the shares are yielding just under 7 per cent on a fully taxed multiple of 18.9.

## Second-half recovery at Royal Worcs—pays same

SECOND-HALF pre-tax profits of Royal Worcester, fine china, ceramics, electronics concern, were well ahead at £1.62m, against £936,000, although for the full year ended January 1 1983, the figure was behind at £1.28m, compared with £1.96m. Sales totalled £49.63m, up from £47.77m.

After tax of £457,000 (£301,000) earnings per 25p share are halved at 12.5p (25.1p), but the dividend is maintained at 8.6p net.

Pre-tax figure was after central expenses, and interest of £771,000 (£895,000). After tax and an extraordinary credit of £120,000 (£703,000 debit) the available profit emerged virtually unchanged at £946,000.

**● comment**

Good Christmas sales for spode helped Royal Worcester show a sharp recovery in the second half. Seasonal demand was strong in both the UK and in the U.S. which accounts for some 35 per cent of spode turnover. Because of its dependence on the engineering industry the ceramics division continued to suffer and after a management consultant's review of operations there were cutbacks that cost some £100,000 taken above the line. Electronics remained on a healthier level following earlier medicine but while advanced productions performed well, in the mainstay high volume resistor business an over supplied market kept margins under pressure. Capital spending was up from £1.2m to £2m last year mainly due to rebuilding at the spode plant and borrowings were higher at fulltime but gearing is still very manageable. Overall the outlook is for the group to continue its recovery with demand for spode at more normal levels, helped by the weakness of sterling in the export market, and the other divisions' problems under control. Yesterday the shares rose 23p to 168p, close to their 1982-83 high for a historic p/e that at over 17 supports a confident view.

## London and Manchester life funds up

Total life funds of the London and Manchester Group rose by over £130m in 1982 from £521m to £652m, including the values of the investment reserve funds.

Annual premium income improved nearly 10 per cent from £57 to £63m and single premiums from £3.9m to £13.1m. Investment income jumped over 8 per cent from £43.7m to £47.5m. Payments on claims, expenses and taxation rose 15 per cent from £74m to £86m.

The group was not so heavily an investor in overseas equities compared with many other life companies, putting £6.5m of new money last year overseas, against £15.5m in UK equities.

A further £14.8m was invested in gilts and £6.5m in the UK property market, where the depressed conditions enabled the group to secure good quality shop and industrial premises on favourable terms.

At the end of 1982, life funds were invested as to £156m in gilts, £246m in equities, £129m in property and £57m on mortgages.

Mr H. L. K. Browne, in his chairman's statement, pointed out that for many years the group had placed particular emphasis on investment in investment trusts and this particular sector continued to feature prominently in the portfolio.

The group had benefited from the moves made by a number of management groups to reorganise the trusts under their control.

Mr Browne also referred to a change in emphasis by the group on its mortgage lending activities. In future these would be on a variable rate basis, financed by external borrowing.

Mr Browne referred to the need to bring down the expenses of management to more acceptable levels and a programme of rationalisation was being continued. There was already a modest but welcome reduction.

**APPOINTMENTS**

## Burmah Oil chairman designate

Sir Alastair Down, chairman of BURMAH OIL, is to retire after the company's annual meeting on June 3. Mr J. N. Maltby, at present deputy chairman, will become executive chairman. Mr C. McC. Anderson will continue as managing director. Mr John Maltby joined the Burmah group in January 1980 from Panocean-Anco where he was chief executive. In June 1980 he was appointed director in charge of Burmah's oil interests and in June 1982 deputy chairman. Sir Alastair joined the Burmah group as chairman and chief executive in January 1975, following the financial crisis which had forced the company to seek the Bank of England's support. He was responsible for leading the group's recovery from its financial difficulties and was knighted in 1978.

*

Mr John R. Martyn has been appointed finance director of BICC. He was previously director, planning and finance of BICC Cables.

*

Dr D. V. Atterton, Sir Donald Barron, Mr J. D. Eccles, Sir George Kenyon, Mr W. J. Mackenzie, Mr P. E. Moody and Mr G. S. Stone have resigned as directors of FFI (UK FINANCE), a subsidiary of FFI. Following this reorganisation the board of the parent company remains unchanged.

*

Mr John Pilkinton has been appointed marketing director of NORWEST HOLST in the civil

Mr John Pilkinton, marketing director of Norwest Holst

engineering, building and specialist fields. He will be based in Altrincham. He was formerly with the Fairclough Construction Group.

*

Mr John Abecasis has been appointed to the board of London shipbrokers EGGAR FORRESTER. He remains managing director of the associated company Eggar Forrester Offshore. Mr Paul Talbot Willcox, managing director of Eggar Forrester, has been appointed also to the board of Eggar Forrester Offshore.

*

Mr J. Wood Scott has been appointed contract operations director of WEIR WESTGARTH, Weir Group's specialist desalination plant and engineering contractor subsidiary. He succeeds Mr John F. Davies, who was appointed managing director in February. Mr Scott joined the Weir Group in 1957. Since 1979 he has been based in Paris as deputy managing director of The Weir Group International.

*

Mr David J. Allen has been appointed a director of UNILIFE ASSURANCE SERVICES. He joined the company in 1980 and has been UK manager since January 1982. Unilife Assurance Services is a subsidiary of Unilife Assurance (Overseas).

*

Captain Charles Prest has for reasons of health, resigned as managing director of the FABER PREST GROUP. He continues as chairman. Mr Richard J. Prest has been appointed group managing director of Faber Prest Holdings remaining managing director of The Stag Reduction Company and a director of other group subsidiaries. Mr T. Frank Matthewman has been appointed a director of Faber Prest Holdings remaining managing director of Steelphalt and of Eccles Contracting, both subsidiaries.

*

Mr Christopher Jones has been appointed a non-executive director of BASSETT FOODS. Mr Christopher Hughes becomes marketing director of the sugar confectionery subsidiary, Geo. Bassett and Co. He was marketing controller.

*

Dr W. W. Brown takes over as chief executive officer of ROBERTSON RESEARCH HOLDINGS, Dr H. R. Bichan becomes managing director of Robertson Research International, and Dr P. Ibbotson becomes managing director of Robertson Research Mineral Services. All are group board members.

*

Mr John Quicke has been appointed chairman of the Agriculture Economic Development Committee of the National Economic Development Council.

*

Mr David Hicks has been appointed managing director of BOWATER RIPPER. He was formerly chief executive of the Horsley Smith division of Meyer International. Bowater Ripper is a joinery business in the Bowater Building Products Group.

# Development Capital

The Prudential as one of the established and influential names in the investment field covers a broad spectrum of industrial financing and has been rapidly expanding its level of activity in the provision of development capital. As a result of this we now need to add to what is an already growing team specialising in this area.

Applications are invited from persons in their mid to late twenties, professionally qualified (or with a degree) and with a minimum of two years in a business or financial environment ideally in the development capital area.

Responsibilities will be wide ranging but cover primarily the identification, evaluation and investment in new opportunities as well as the monitoring of existing portfolio companies.

The emphasis is on direct investment and this will involve substantial personal contact with senior management and calls for a positive individual with good communication skills. Success at this level and our growth rate should ensure real career development opportunities for the right individual.

We are offering a highly competitive salary together with enhanced benefits including a non-contributory pension scheme and low-cost mortgage.

Please forward a comprehensive CV to:– Nigel Holt, Personnel Executive, Prudential Assurance Co. Ltd., 142, Holborn Bars, London EC1N 2NH. Tel: 01-405 9222 ext. 2569.

**Prudential**

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The person appointed will be a Chartered Secretary, probably with a degree in law or business administration, and will have had at least 10 years' appropriate experience in good public companies – ideally in service industries.

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*Executive Selection Division*

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* Please only contact us if you are applying for the above position.

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In your thirties or early forties, you will have a wide variety of personnel experience, ideally in banking. You will be enthusiastic, a good communicator and possess the patience and flexibility required to work in a demanding environment.

Write in confidence, enclosing a C.V., or telephone for an application form to Barbara Lord at Cripps, Sears and Associates Ltd. (Personnel Consultants), 88-89 High Holborn, London WC1V 6LH. Telephone 01-404 5701 (24 hours).

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Fidelity is one of the largest and most successful international investment management groups and runs, from its London and overseas offices, a particularly successful range of offshore funds, unit trusts and pension accounts. In aggregate, the Fidelity Organisation worldwide manages over £10,000 million.

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Applicants should send a full curriculum vitae to: Barry Bateman, Director, Fidelity International Management Limited, 20 Abchurch Lane, London EC4N 7AL

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## Long Gilts Sales Executive

The Gilts Department of a medium-sized firm of London stockbrokers currently requires an additional Sales Executive to maintain their established presence in the Long Gilts market. The position itself would suit an ambitious Executive with partnership aspirations. The remunerative package accompanying this post reflects the firm's commitment to this position.

## Gilts Computer Analyst

The above-mentioned company is also seeking a Computer Specialist with experience of Gilt Yield Curves and associated analytical techniques. The ideal applicant will have gained at least two years' experience of this work. Age 22/38. Competitive negotiable salary package.

## Senior LIFFE Floor Trader

The Financial Futures Department of an investment bank requires a Senior Floor Trader to provide the company's desk dealers with accurate market commentaries and recommendations. The appointed Trader will operate on all contracts and will be expected to have already gained experience in all LIFFE pits. Salary £20,000 to £25,000 basic

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The above-mentioned investment bank is additionally seeking an experienced Technician. The ideal applicant will have gained a degree in Mathematics and several years' analytical experience and consequently have a thorough understanding of the cash and futures markets. Salary c. £25,000 basic.

Please telephone Robert Kimbell, of our Financial Futures and Gilts Unit, on the telephone number below (or 01-622 8847 after office hours). Discretion assured.

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The starting salary and other conditions will be attractive to candidates of the required high calibre.

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## INVESTMENT ANALYST

BUILDING/CONSTRUCTION & PROPERTY SECTORS
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One of the leading international research-based City Stockbrokers are seeking an experienced Investment Analyst aged 25-35, to work closely with a leading Institutional Market Specialist in a rapidly expanding market. He/she will probably be a graduate with a research background and will be expected to undertake corporate work at the highest Client level with the aim of bringing suitable companies to the USM. The successful applicant will currently not be earning less than £15,000.

## SENIOR ALUMINIUM TRADER

One of the world's leading metal trading companies (London Metal Exchange seat) requires a Senior Aluminium Trader aged 25-35. Excellent opportunity for someone not earning less than £25,000 now.

NETWORK RECRUITMENT
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Telex 261479

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## UNIVERSITY OF STRATHCLYDE

# POST OF BURSAR

Applications are invited from qualified accountants with considerable experience of administration and management at senior level for the post of Bursar. The Bursar is a statutory officer of the University whose responsibilities are, under the direction of the Principal, to Court for the finances of the University and for all University buildings and properties.

Appointment (within the grade IV range of salaries for university administrative posts at a point not less than the average salary for professors, £19,405 pa) will be made initially as Bursar-designate, from 1 October 1983 or as soon as possible thereafter, with appointment as Bursar effective from 1 October 1984.

Applications in duplicate (including curriculum vitae and the names and addresses of three referees), and quoting reference 44/82, should be sent by 31 May 1983 to the Registrar, University of Strathclyde, 16 Richmond Street, Glasgow G1 1XQ, from whom further particulars can be obtained.

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Manchester: 061-228 0089, Sunley Building, Piccadilly Plaza.
Glasgow: 041-332 1502, 141 West Nile Street, Glasgow G1.

We are also specialists in **'Outplacement'** for organisations, through our affiliated company **Lander Corporate Services Limited.**

# Accountancy Appointments

## Reed Executive

The Country's most successful Recruitment Service

### Chief Accountant

*London W.1.* **c £17,000 NEG.**

The vacancy arises within one of the country's largest, most prestigeous and profitable department stores which constitutes an important division of a major retail group. Reporting to the Financial Director your responsibilities will include managing a substantial accounting department, playing a key role in the development of systems and providing a full supporting service to management. Aged 30/40, preferably a graduate A.C.A. with a large professional firm background, you must have obtained at least four years sound commercial experience, probably in retailing, and have significant line accounting and DP experience. Career prospects, fringe benefits, and the negotiable remuneration package make this a first class opportunity.

*Telephone: 01-247 9431 (24 hr service) quoting Ref: 0910/FT. Reed Executive Selection Limited, 122 Whitechapel High Street, London E1 7PT.*

The above vacancy is open to both male and female candidates.

London Birmingham Manchester Leeds

## International Corporate Executive

**Central London** **c£17,500 + car**

*Our client, an international oil services group,* has a t/o in excess of $2 billion. A specialist is now sought to strengthen their London-based H.Q. team.

Qualified accountants with exposure to U.S. companies, international tax practices and multi-currency reporting would be of particular interest. This position could suit an individual whose experience to date is mainly in taxation, who now wishes to develop into the broader aspects of international finance. Duties of this challenging role include:–

- ★ International accounting, tax and treasury work, involving close liaison with colleagues.
- ★ Providing accounting advice and support to world-wide operations.
- ★ Supervising international subsidiaries' tax reporting and planning.
- ★ Maintaining a close working relationship with the U.S. headquarters management.

The advisory aspect of this role carries significant responsibility through personal influence, consequently a strong personality is vital. Ambition, initiative, accurate analysis and commercial awareness are essential attributes.

For those with proven ability, aged around 30, there are considerable international career prospects.

Candidates should write to John Sheldrake, enclosing a comprehensive curriculum vitae, quoting ref 915, at 31 Southampton Row, London WC1B 5HY.

**Michael Page Partnership**
International Recruitment Consultants
London New York
Birmingham Manchester Glasgow

## Financial Accounting Manager

**c. £13,000** **Reading**

A leading consumer products manufacturer in a highly competitive market sector, our client is part of a highly successful multi-national. Organisational growth, and the requirement for ever greater speed and integrity of information has created a new opening, offering advancement for the professional who makes a positive contribution to their effective financial control.

Based in Reading, but liaising closely with the Group head office, and regional operating units, you will specifically control the financial accounts, including the purchase ledger function, in a Company with a turnover of around £100m. You will constantly monitor and improve procedures for the company's multi-locational activities, personally contributing to their business through cash management and control. You will be aided by sophisticated data processing facilities. An equal part of the challenge will be the consolidation and analysis of departmental overhead cost reports.

Aged between 25 and 35, you will be a qualified Accountant who can combine 2 years post qualification experience with a sound commercial awareness. A confident leader and communicator, you must be capable of advising and motivating a small but dedicated team, and of establishing credibility at board level. Effective under pressure and conversant with computerised accounting, you will demonstrate the qualities that relate to a sales led company and the potential to progress in such a fast moving environment.

The remuneration and benefits package will reflect your calibre, and relocation assistance is available. The right man or woman will find the informal working atmosphere stimulating and the career scope outstanding.

*Please contact David Woolf,*
Juniper Woolf Consulting Partners,
26 Wellington Street, London WC2E 4BB.
Telephone 01-836 3932.

JUNIPER Woolf

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## Finance Director

**Yorkshire**
**c £25,000**
**plus quality car**

With an annual turnover in excess of £150M., our client is a nationally known retail company based in West Yorkshire.

The company requires a Finance Director to control all aspects of financial management and play a key role in the future development of the business.

Candidates should be well qualified accountants with in-depth experience of management accounting and computer-based systems, preferably gained in public companies, and able to demonstrate a successful career in commerce.

In return for a comprehensive and attractive remuneration package, the successful candidate will be expected to make a significant contribution to the management and direction of the business.

*Please send details of your career quoting Ref: 5426, to: Brian Jones,*

*Thornton Baker Associates Limited, Brazennose House, Brazennose Street, Manchester M2 5AX.*

## *Finance Director*

***NW Kent*** ***From £17,500+car***

Our client is a profitable £12M turnover manufacturing subsidiary of a major and successful UK group. The present Finance Director is being promoted within the group and we are now seeking his successor.

The Finance Director reports to the company's MD and is responsible for the accounts, purchasing and data processing departments. As a key member of the Executive Committee of five directors, the FD must play a flexible and wide ranging role in the overall commercial affairs of the company. As some 50% of production is exported, he or she will be responsible for ECGD arrangements and foreign exchange. In addition, a substantial programme of computerisation is underway for which the FD is responsible.

Candidates must be qualified accountants with significant commercial experience at senior level, ideally in a manufacturing environment. A practical knowledge of computer applications and systems is essential, as is familiarity with exporting and foreign currency procedures. The preferred age range is mid 30s to mid 40s.

To attract the right person, our client is prepared to negotiate a salary in excess of £17,500, and the package will include a car, profit related bonus and other benefits normally associated with a major group. Career prospects within the group are excellent.

Candidates, male or female, should write in confidence to Alan Gilmour,
Executive Selection Divisioo,
Southwark Towers, 32 London Bridge Street,
London SE1 9SY, quoting reference MCS/9015.

Price Waterhouse Associates

## Financial Investigations

Our expanding Financial Investigations Department has vacancies for qualified staff. We are looking for Chartered Accountants with op to two years post-qualification experience. The Department's work, which frequently involves reporting directly to a Partner, covers a wide spectrum of non-routine assignments, from management advice to smaller clients to involvement in public documents and flotations.

We expect candidates to have a good examination record, to be able to communicate at all levels with our broad range of clients and to demonstrate appropriate qualities of self motivation.

We recognise that above average qualities demand a competitive salary and, for the right candidate, there are prospects of early promotion to manager.

If yoo have the qualities and experience to work in the Financial Investigations Department of Spicer and Pegler, please write to:

John Bentley,
*Spicer and Pegler, Chartered Accountants,*
St Mary Axe House,
56-60 St Mary Axe, London EC3A 8BJ.

## Management Accounting -Construction

**c.£16,000**

Based in London our client, with an annual turnover of over £15m and a staff of more than 1200, operates across a range of capital and minor works projects. To meet fresh competitive challenges it has extensively restructured its operations and in the light of planned developments the post of General Manager (Financial Services), has been created and is seen as crucial to the organisation's future performance as a profit maker.

As a key member of the organisation's management team, you will play a major role in developing all the systems and controls associated with meeting commercial targets. Areas of direct responsibility will include contract and quantity surveying, financial control, income recovery, invoices, and plant and transport management. One of the most challenging aspects of the job will be your involvement in the setting of overall strategy and objectives, introducing the appropriate systems to monitor their application and pin-pointing the source of any allied problems.

In addition to proven management skills you should be able to demonstrate the ability to develop and run financial systems to match our clients building operations. *You should be a qualified accountant,* male or female, with experience of the construction industry and will ideally have some knowledge of computerised financial systems development.

Please write giving details of your qualifications and experience to the Confidential Reply Service, Ref: JAF/8677, Austin Knight Limited, London W1A 1DS.

Applications are forwarded to the client concerned therefore companies in which you are not interested should be listed in a covering letter to the Confidential Reply Supervisor.

**Austin Knight Advertising**

## FINANCE DIRECTOR—TRAVEL COMPANY

### CIRCA £15,000

Bladon Lines Travel is a leading operator in ski holidays and is cow moving into the summer boliday business. In view of the significant growth achieved in the last two years and currectly planned the Board of Directors wish to strengthen their number by the appointment of a Finance Director.

A capable and ambitious executive is required to work closely with the Managing Director but in particular to take over responsibility for

—financial coctrol
—office administration
—legal and secretarial matters
—foreign currency transactions
—systems applications

Tha ideal candidate will be around 30-35 with a good degree, accountancy qualification and demonstrate an ability to rapidly become a member of a small management team orientated towards maintaining the rapid growth already achieved in this tightly knit company.

Salary, pension and other benefits including overseas travel are negotiable dependent on age and experience.

Please write to the Chairman in the strictest confidence enclosing both a C.V. and a personal letter indicating why you are particularly suited to this attractive and challenging appointment.

**The Chairman**
**Bladon Lines Travel Limited,**
**309 Brompton Road,**
**London SW3.**

An exceptional opportunity to join a successful British public company in a responsible role.

## FINANCIAL DIRECTOR

**Contracting Division** **South East England**

*Our clients' Contracting Division is long-established in tha construction industry, and is now implementing plans for rapid expansion. These include the eppointment of en experienced Financial Controller/Director, probably in mid-thirties, to lead tha Division's accounting team.*

He/she will have held successfully a similar post in a £50m. to £100m. contracting company or division, and will be expected to contribute significantly to continuing profitabla growth.

The salary will be initially c.£20,000 end tha customary benefits for senior management include a company car.

Please ask for a career history form or send full details to:

**D. Bryan Andrews Associates**
Management Selection,
St Martins House, 29 Ludgate Hill,
London EC4M 7BQ. Tel: 01-248 8033.

## Financial Accountant

**N.W. London** **c.£14,000**

Our Client, a leading retailer in the consumer electronics field, has recently reorganised its eccounting function to meet the demands of a fast-expanding business. A Senior Financial Accountant is now required to strengthen the central team.

Reporting to the Financial Controller you will manage a small team responsible for the production of financial and management accounts and budgets, the monitoring of performance against budgets and capital expenditure control. The company operates sophisticated computerised accounting and control systems.

Ideally aged 26/32, you should be a graduate ACA, with 1-3 years' post-qualifying experience either io a large professional firm, or in a commercial organisation.

Tha Company operates in an entrepreneurial market place and has a forceful and aggressive management style. Personal qualities essential to your success will therefore include a strong personality and an ability to respond quickly to the demands of senior management.

Please write with full cv. indicating companies to whom your application should not be sent, to:-

M. Fenning (CRS 270), Lockyer Bradshaw & Wilson Ltd.,
178 North Gower Street, London NW1 2NB.
Alternatively, telephone 01-387 8943 for an application form.

LBW
LOCKYER, BRADSHAW & WILSON LIMITED

## INSOLVENCY MANAGER

**EAST MIDLANDS** **£15,000 + Car + Benefits**

Challenging opportunity to head up a department in a professional office in the East Midlands.

Applicants must hold membership of The Insolvency Practitioner's Associatioc and it would be an advantage to be a qualified accountant.

The positioc demands a high level of responsibility with full involvement in developing the business. The department currently has a staff of eight.

Salary package up to £15,000 per annum plus car and relocation expenses.
Applications to R. J. Welsh:

*Reginald Welsh & Partners Ltd*
ACCOUNTANCY & EXECUTIVE RECRUITMENT CONSULTANTS
123/4 Newgate Street, London, EC1A 7AA. Tel: 01 600 8387
(Associate Offices in America & Nigeria)

## BRIGHT YOUNG ACCOUNTANT

30'ish qualified accountant with industrial experience is sought by expanding listed company with small London hesd office for:

- financial control of eperating companies
- identification and investigation of acquisition opportunities.

Applicants preferably should live to the north of London and be prepared to travel extensively in the U.K.

Please apply with full c.v. to
A. M. R. Parkinson, Financial Director
DIPLOMA PLC
20 Bunhill Row, London EC1Y 8LP

**Accountancy Appointments appear every Thursday**
Rate £31.50 per Single Column Centimetre

**INSTITUTE OF OPHTHALMOLOGY**
(University of London)
Judd Street, London WC1H 9QS

**ACCOUNTANT**

Applications are invited from appropriately qualified persons for the appointment of Accountant, which will date from 1st June, 1983, or as soon as possible thereafter.

Salary will be within the scale £11,828-£14,662, including L.A. (under review). Further information and application form may be obtained from The Secretary, Institute of Ophthalmology, Judd Street, London WC1H 9QS, to whom completed application forms should be sent by 28th April, 1983.

# Accountancy Appointments

## Progress in Audit
### North Hampshire
### £13,000 + Substantial Benefits

Remarkable growth has placed the TSB Trust Company Limited (The Insurance and Unit Trust arm of the TSB Group) at the forefront of financial services management. As a result, the Internal Audit Department plays a major role in development matters which affect the Company's policies and procedures as well as providing a comprehensive traditional audit service.

Our recently promoted Internal Audit Manager is now seeking to appoint three Senior Auditors (male or female) who will complete a small team committed to the further development of the function. Specifically the posts are:

### Systems Audit Manager
Responsible for planning and coordinating the Systems Audit function of the Department, including the supervision of a team of qualified and trainee Auditors. (Ref. IA/SAM/P).

### Management Auditor
Responsible for the review and evaluation of Company policies and procedures, particularly in relation to Management Information requirements and techniques. (Ref. IA/MA/P).

### Development Audit Manager
Responsible for planning and coordinating the systems development and data processing division audit function. Specific computer audit training will be an essential requirement. (Ref. IA/DAM/P)

These vacancies will offer a considerable challenge to Qualified Accountants who can demonstrate a minimum of five years post qualification experience in an audit function. A detailed knowledge of modern auditing techniques is required together with a high level of communications skills. Exposure to the fields of Insurance/Finance is highly desirable.

In addition to a competitive starting salary we offer an extensive range of benefits:
* 4% Mortgage Subsidy Scheme
* Profit Sharing
* [illegible] Bonus
* Non-Contributory Pension Scheme
* Free Accident & Life Assurance
* Valuable Relocation Package.

If you are interested, please telephone or write (quoting appropriate reference) for an application form to: **Bob Reynolds, Personnel Services Manager, TSB Trust Company Limited, Keens House, Andover, Hampshire, SP10 1PG.**
**Tel: Andover (0264) 62188 Extension 346.**

TSB
TSB Trust Company Limited

## Finance Director
### West End — negotiable over £18,000 + car

Our client is Staples Printers Ltd, an independent private group of companies in the printing and publishing business. In 1982 the group reported sales of £15M and profits from all trading subsidiaries. There are five manufacturing sites and a London based publishing operation. The head office, at which this appointment will be located, is in the West End of London.

The group's affairs have now reached a stage where Clive Martin (Chairman) and John Quinney (Group MD) wish to appoint a Finance Director to join them in running this enterprising and successful group of companies. In addition to carrying the normal accounting and commercial responsibilities pertaining to the senior financial executive, the person appointed will be expected to become fully involved in any other aspect of the business as necessary.

Candidates must be qualified accountants and should be over 35 years of age. Experience of the printing industry is not required, but a good commercial track record is essential, as is a sound knowledge of computer systems and applications. Above all, candidates must be able to demonstrate the qualities of integrity, leadership and adaptability.

An attractive package of salary and benefits (including a suitable 2-litre car) will be negotiated with the selected candidate. The position carries an immediate seat on the Board of the printing division, and it is hoped that the individual appointed will earn a Main Board seat in 3-5 years.

Candidates, male or female, should write for a personal history form to Alan Gilmour, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY, quoting reference MCS/9014.

Price Waterhouse Associates

## Internal Audit Manager
### Northolt, Middlesex c.£14,000p.a.

The Gallaher Group, with an annual turnover in excess of £2,000 M. has worldwide interests in tobacco, engineering, optics, distribution and office products. Consequent upon the development of these interests Gallaher is strengthening its Group Internal Audit Department and requires a young audit manager for its offices in Northolt.

The new manager will be required, with an assistant, to provide internal audit cover for a number of the Group's U.K. subsidiaries. In this capacity, although operating under clearly defined guidelines, the manager will be encouraged and expected to demonstrate initiative and must have potential for future promotion.

Applicants should be qualified Chartered Accountants aged late 20's to early 30's with professional post qualification experience and a keen interest in computers and computer systems. Ability to communicate effectively with senior management is essential.

Total salary package will be c. £14,000 p.a. and there are attractive fringe benefits.

Applicants, male or female, should apply in writing to:–
Mrs D E J Bowles, Recruitment Manager, Gallaher Limited, 65 Kingsway, LONDON WC2B 6TG

GALLAHER LIMITED

## Finance Director
### (designate)

We are a diversified group, family owned, comprising largely autonomous divisions and subsidiaries, whose activities range from the printed paperboard and plastics packaging industries to the manufacture and marketing of fast-moving branded consumer products – total sales £50+m.

You will work closely with the chief executive and divisional managing directors on financial appraisal, performance monitoring and business/strategic planning, in addition to maintaining sound financial controls, treasury and company secretarial services.

You will also play a positive role in administering the company pension schemes and in advising the chairman and chief executive on overall financial policy.

You will be professionally qualified, age 35+, with proven record of success at senior level and all-round experience of the finance director's role gained in a smaller company at board level or near board level in a larger organisation.

You will currently be earning not less than £20,000 per annum, exclusive of car and other benefits.

Main board appointment within a year is envisaged.

Concise curriculum vitae and reasons why you should be considered further, in confidence, to
D. C. Robinson,
Robinson & Sons Limited,
Wheat Bridge,
Chesterfield, Derbyshire S40 2AD.

ROBINSONS OF CHESTERFIELD

## Financial Controller
### REDHILL SURREY
### c.£13,000

The Redland Group is a large international manufacturer and supplier of materials and services to the construction industry with 130 factories in nearly 30 countries. The Roof Tiles *Division is a world leader in the manufacture of* concrete roof tiles. To maintain this dominant position through product innovation and improvements of operating efficiencies, Redland Roof Tiles has its own technical division at Redhill to provide expertise to the 12 UK works and to service overseas associates and subsidiaries.

We need a qualified Accountant to control all aspects of the technical division's finances. To be considered, you should be in your late 20's, or early 30's, with broad accounting experience, including a familiarity with computerised systems. You must also possess those personal qualities which will enable you to motivate and supervise staff, and liaise with Redland personnel at all levels.

Starting salary negotiable c.£13,000. Generous company benefits include relocation expenses where appropriate.

To apply, please send a detailed CV to the Personnel Manager, Redland Roof Tiles Ltd., Redland House, Reigate, Surrey RH2 0SJ.

Redland
ROOF TILES

## GROWTH POTENTIAL
c. £12,000 + Bonus

A substantial U.K. engineering group can provide an excellent career opportunity for a young, ambitious accountant. This management development position offers a varied accounting role plus prospects to a senior appointment within Head Office or an operating division. Initial responsibilities include plans, forecasts, business analysis plus financial control of an operating company. S.E. LONDON.: Ref: JG/1116L.

## GROUP ROLE
£10,500 + Car

This established holding company offers variety and scope to a qualified ACA/ACCA (28-32) seeking to consolidate their experience in a highly commercial environment. Reporting to the Group Financial Controller, areas of responsibility include the production of information for annual accounts, management of internal audit and considerable involvement in computer applications. CENTRAL LONDON. Ref: VMD/1057F.

ROBERT HALF

## LLOYD'S BROKERS
### £15,000 & car

A qualified Chief Accountant is sought to take charge of a medium-sized but expanding Lloyd's broker's accounts department in Surrey. Experience of Lloyd's Accountancy procedures and knowledge of computers is preferred.

For further information about this demanding position, please contact Mr. D. R. Whately. His private telephone number is 01-623 9227 and the reference is 563.

WHATELY PETRE LIMITED
Executive Selection
6 Martin Lane, London EC4R 0DL

## Finance Director

Bentalls is one of the largest independently owned store groups in the UK and firmly established as a leader in the retail trade. The Company operates seven department stores with a combined turnover in excess of £60m.

We seek to appoint a Finance Director Designate to take over from the present office holder when he retires next year. Whilst improving, controlling and maintaining finance and accounting functions, you will have the presence and commitment to become involved in the wider aspects of the business, providing the Chairman and Board with a highly commercial and effective financial service.

Applicants, ideally, should be in the age range of 30-45 years and should be Chartered Accountants with at least three years' experience at a senior level with substantial industrial or commercial undertakings.

In addition to those duties normally associated with the Finance Director's function, the role includes responsibility for both computing and management services functions, of which candidates must have relevant experience, although not necessarily within retailing.

The remuneration package will be appropriate for this important position.

Please send a comprehensive CV and details of present salary to The Chairman, Bentalls PLC, Wood Street, Kingston upon Thames, Surrey, KT1 1TX.

Bentalls
OF KINGSTON

## Chief Accountant
### National Consumer Durable Retailing

Our client is a British group with more than 100 prominent stores and which has continued to expand throughout the recession. Responsibility is to the Finance Director for all aspects of financial management and associated systems development, and, with excellent career prospects. Headquarters are in North London.

Suitable candidates will be aged 34-40 and qualified accountants (CA, ACCA, ACMA) who are currently earning not less than £16,500. He or she will be used to controlling a staff of at least 50 and be able to demonstrate success in developing modern financial and management accounting systems as well as contributing to organisational efficiencies and the optimisation of profit. Their experience will have been gained either from a national retailing group, or, another £ multi-million high volume, fast transaction business where extensive use of computerised information systems is made.

Salary for negotiation with pension, car and other worthwhile benefits.

Please write in confidence with relevant career details showing how the key requirements are met to H. C. Holmes at Bull, Holmes (Management) Limited, 45 Albemarle Street, London W1X 3FE.

Bull Holmes
PERSONNEL ADVISERS

## Director of Finance
### £20,000 plus car

Our client, a well established and expanding engineering Company in the Belfast area, is forging ahead with interesting new product developments for export markets and, as a result, wishes to strengthen its finance and accounting functions at a senior level.

We are seeking a really top class executive with wide experience and who can genuinely contribute to the overall profit management and running of the company. Ideally candidates will be in the age range of late thirties to mid-forties and currently holding a senior post in a large company which has well developed financial control systems and procedures such as those in the automotive sector or large international companies.

The successful person will be a sound manager of people, have the personality to relate well at senior executive level and to develop quickly his/her expertise in a challenging environment.

An attractive reward package and career development opportunities are offered to the right person.

If this position interests you please write or telephone for an application form quoting reference number 11/DF to:

PA MANAGEMENT CONSULTANTS LTD.
EXECUTIVE SELECTION DIVISION
Ulster Bank House, Shaftesbury Square, Belfast BT2 7DL · Tel: 227467

PA
*A MEMBER OF PA INTERNATIONAL*

*The identity of Candidates will not be revealed to our client without prior permission given during a confidential discussion.*

## ACCOUNTANT
### Coleford, Gloucestershire

Formwood Limited, a manufacturing company, with a current turnover of £6m, which is confidently expected to increase to £10m within two years, is seeking a qualified accountant who will be based at Coleford in Gloucestershire.

Applicants in their mid to late 20's, preferably married, must be able to show evidence of positive business success and be able to demonstrate the will and ability to move into a Management position within a relatively short time. Responsibilities will include recommending ways of improving profitability, reducing costs, analysing capital expenditure programmes, monitoring performance against such programmes and formulating forward pricing strategy.

This is an exciting and challenging position for someone with general management aspirations in a rapidly growing, diverse and profitable manufacturing company based in a pleasant country location.

The rewards will be commensurate with the importance of the position and relocation expenses are available.

Please write with full c.v., including details of interests outside business, to:

Mrs. Helen Gage,
Group Personnel Manager (U.K.),
Mallinson-Denny Ltd.,
130 Hackney Road,
London E2 7QR.

MALLINSON DENNY
A Mallinson-Denny Member of the Brooke Bond Group

BROOKE BOND

# Accountancy Appointments

## Company Accountant

*City* *from £15,000 + car + bonus*

Our client is o substantial and growing commodity dealer participating in a variety of markets.

The purpose of this new appointment is to provide day to day assistance to the Financial Director in as wide a range of activities as possible. Specific tasks will include monthly accounts, Forex control, supervision of the forward contracts ledger, credit control, development of new systems and procedures, and ad hoc projects. Other activities will be added as soon as sufficient company knowledge is acquired. It is expected that the successful applicant will progress towards the financial directorship in due course.

Candidates, aged 28-35, should be qualified chartered accountants with a minimum of three years commercial experience, ideally in a commodity broking, investment or banking organisation. A high level of interpersonal skill is essential.

This job offers a rare combination of growth, excitement and challenge along with very good long term career and salary prospects.

Candidates, male or female, should write for a personal history form to Alan Gilmour, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY. Please quote reference MCS/9011.

Price Waterhouse Associates

## Financial Control

**Recently Qualified Accountant**

**Central London** **c £13,000 + Benefits**

One of the UK's best known financial groups seeks an ambitious qualified accountant, preferably a graduate aged mid 20's, for an important position in its small central financial control team.

The challenging work will include appraising and reporting on the group's diverse and worldwide activities, preparing group results and monitoring accounting policies. Additional numerous ad hoc financial exercises will provide valuable wide ranging experience for career development – both in the UK and overseas.

Salary is negotiable and generous benefits include a non-contributory pension scheme and low cost mortgage.

*Contact David Tod BSc., FCA on 01-405 3499 quoting reference DT/574/FCF*

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## MANAGEMENT ACCOUNTANT

Lloyds Broking -City

We are an autonomous subsidiary of Frank B. Hall, Inc., U.S.A. one of the largest insurance brokers in the world. Leslie & Godwin contributes significantly to total group revenue and profit. Continuing expansion has created the need to strengthen our Corporate Accounting Team.

Working within the Group Finance Department, you will be involved in the review and development of operating systems and in the implementation of a major new computer based system.

Aged 25-35, you must be a qualified Accountant with commercial experience ideally gained in the financial sector. We seek a good communicator who can work independently and who ideally lives within reach of both our City and Farnborough, Hampshire offices.

The appointment carries a competitive salary and benefits package. Candidates currently earning less than £11,000 pa would be unlikely to have sufficient experience to apply.

Send o current C.V. to Mrs. P. Taylor, Personnel Director, *Leslie & Godwin (Management Services) Ltd., Dunster House, Mark Lane, London EC3 or phone for our senior application form on 01-623 4631 extn 3303.*

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## ACCOUNTANT/FINANCIAL CONTROLLER

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01-637 5277 (12 lines)

## Financial Controller

## Dubai Dry Dock

A&P Appledore International, one of the world's foremost independent management and consulting groups for the marine industries, has been appointed managers of the Dubai Dry Dock.

We are looking for a Financial Controller with the necessary qualifications and experience to carry out the demanding work involved in starting up and running all financial aspects of the largest and most comprehensively equipped ship-repair yard in the Middle East.

The successful candidate is likely to have previous experience in a senior financial management position, knowledge of modern computer based management information systems and the ability to operate and communicate effectively with other members of the management team, government representatives and external auditors.

A comprehensive employment package is offered, including:
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Please apply to the address given below and include details of personal circumstances, education and training, and employment history.

Personnel Manager, A&P Appledore International Limited, 18 Thurloe Place, London SW7 2SP, England.

**A&P Appledore**

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Reporting to the Financial Director, International, you will supervise the overall efficiency of local accounting functions, and ensure that accurate and timely management accounts are produced and consolidated. You will also monitor individual procedures and systems to ensure conformity with national laws and tax practices. Based in Central London, up to 25% travel is involved mainly 2/3 days at a time to Europe but occasionally with longer visits to the Far East, Middle East and Africa.

In your late 20's/early 30's, an ACCA/ACMA or ACA with at least two years' post qualifying experience in commerce, you will need to have the flexibility of approach and the strength of personality to communicate effectively with local management. A knowledge of French would be an asset in this challenging non audit post.

Please apply to I.M.G. O'Hare, 124 New Bond Street, London W1Y 9AE, Telephone: 01-629 4226.

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*Please apply to Box A8187, Financial Times, 10 Cannon Street, London EC4P 4BY*

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London and New York

A closely-held British Public Company, involved in Management Consultancy in London, New York and Atlanta wishes to appoint an International Financial Controller, who will be responsible for all Group Accounting, Reporting, Treasury and Financial operations.

Although based at the Group's HQ near Piccadilly Circus, at least two weeks per month will be spent in New York.

This is an opportunity for a young qualified accountant to join a dynamic team and to improve experience, responsibilities and financial rewards as the Group's ambitious growth plans are realised.

For full information and application form phone:

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(01) 930 4545 (24 Hours)

## Financial Controller

*SW London* *£ neg.*

Following a planned policy of decentralisation a new opportunity exists for a commercially aware qualified accountant to join the profitable Graphic Supplies Division of this leading UK group involved in the manufacture of printing inks, paints, chemicals and coatings.

Reporting to the Divisional Managing Director you will be responsible for all day to day accounting and administration including budgets, profit & loss reports, operating statements, cost centre reports and product line profitability. The ability to review the present systems to produce more timely, accurate and meaningful information is essential.

Probably aged 27/35 you will have the strength of character and personal commitment necessary to make and implement decisions thus gaining the full confidence of the MD and indicating that long term you have the ability to accept control of a larger division.

Apply in writing to
Richard Green
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London EC3M 1DT
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## FINANCE DIRECTOR

(designate)

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Our client is a sizeable and successful manufacturer of components for the motor industry with a multi million turnover and around 1,000 employees.

They now wish to recruit a chief accountant who will be responsible to the chief executive for the complete accounting function including the further development of management information systems, budgetary control and cash management, costing, ad-hoc financial investigations and for the consideration of further computerisation.

Candidates, preferably aged 35 to 45 will be suitably qualified with a progressive track record which demonstrates their ability to play a constructive role as part of the top management team. The salary is negotiable from £15,000 p.a. plus car, n/c pension scheme and other benefits.

*Applicants should write in confidence with full details of previous experience and current salary quoting reference L/1902 to John Hills at:*

Annan Impey Morrish
Management Consultants
40/43 Chancery Lane, London WC2A 1JJ.

A.I.M.

## Financial Controller

*Manchester* *c £15,000 + car*

The Moben Group of Companies wish to recruit a Financial Controller who will report to the Divisional Financial Director and be responsible for the control of senior financial managers of three selling companies, each with a number of branches. The successful candidate will be required to co-ordinate the production of timely, accurate management and statutory accounts and to ensure consistency of approach in each company.

Applicants must be qualified and have a proven track record of controlling senior staff in a fast moving industrial environment. Experience of conversion of systems to computer based reporting is required together with the ability to communicate at the Board level of a progressive company.

Candidates, male or female, should write in confidence, including a brief personal history to: F.A. Dickinson, Executive Selection Division, York House, York Street, Manchester M2 4WS quoting Ref: MCS/444

Price Waterhouse Associates

## Financial Controller

**£15,000+** **London, West End**

The Alfred Marks Group, part of the Swiss based Adia Group – a leader in its field, with employment and service agencies throughout Britain – is looking for a Qualified Accountant with at least 3-4 years experience in industry or commerce, to join its head office team.

As Financial Controller the successful applicant will report to the Group Chief Accountant and will be responsible for the planning and management of a busy financial and management accounts department, working to tight local and international timetables.

The successful candidate will be aged about 30, will communicate well, will be commercially aware, ambitious and will have staff management experience and a working knowledge of computerised accounting systems.

Please apply in writing with full career details to:
Mrs J. Lindh, Personnel Department, Alfred Marks Bureau Limited, Adia House, 84-86 Regent Street, London, W1R 5PA.

**ALFRED MARKS BUREAU**

## FINANCIAL CONTROLLER/ DIRECTOR DESIGNATE

**FINANCE COMPANY**

A well known major international Company in the South intends to establish its own Finance Company and is seeking a high calibre Financial Controller.

Applicants must be ACA's and have had finance or leasing company experience at a senior level. The successful candidate will assume responsibility for treasury, cash flows, creating management reporting systems, accounting, V.A.T. and audit control, preparation of budgets and setting up the Company's leasing and tax shelter programme.

This top level position offers a potential Board appointment, an excellent salary, which is negotiable, and usual fringe benefits.

C.V., *in confidence to Box A8186, Financial Times 10 Cannon Street, London EC4P 4BY*

## MANAGEMENT ACCOUNTANT

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We hava a career opportunity for a Management Accountant to enhance and participate in the services afforded by the existing accounting team. Responsible to the Group Accountant, this position involves budgetary control — evaluating divisional results against budget and advising on appropriate action, preparation of monthly reports for the board, planning and forecasting, together with provision of financial control information.

Candidates should currently be working in a manufacturing industry and be familiar with computerised accounting systems. Previous experience of monitoring working capital, preparation of balance sheet and funds flow is essential. As a member of the management team, tha accountant must be able to communicate effectively with all levels of company personnel. Professionally qualified applicants would be preferred but part-qualified applicants with sound relevant experience will be considered.

Interested applicants should cootact or write to the
Personnel Officer,
Recruitment, Remploy Ltd.,
415 Edgware Road,
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Candidates, who will preferably be French speaking, will have extensive management experience in a passenger transport company. Write with full personal and career details to the address below, quoting ref: M9446/FT on the envelope. Your application will be forwarded directly to the client unopened, unless marked for the attention of our Security Manager with a note of companies to which it should not be sent. Initial interviews will be conducted by the client.

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Applicants must have a degree or diploma (preferably in Commercial Law or Business Administration) together with 10 years experience in a managerial appointment which has involved tender procedures and commercial contract law and a knowledge of current legislation.

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Essential requirements are C.A. or C.P.A. plus either 3-4 years' post-qualification experience with an international accounting firm, including at least 18 months' full-time exposure to E.D.P. audit, or 4 years' in internal audit in industry or commerce, including 2 years of specific E.D.P. audit experience.

The individual must have well-developed written and verbal communication skills, and will be required to demonstrate considerable initiative and perserverance.

In addition to basic salary up to £25,000 free of tax in Saudi Arabia, a comprehensive benefits package is offered including free housing, utilities and medical services, leased car, generous leave provisions and allowances, end-of-contract and performance bonuses, children's education allowances, and first class recreational facilities. Initial contract is for two years.

In this instance, we wish to discuss your initial application with our client. Therefore, please send your full c.v. including current salary, quoting ref. B.1319, listing separately companies with whom your details should not be discussed. Interviews will be held in London late May 1983.

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*Please send your C.V. to:*

**Rita Gleor, Personnel Manager, BIOGEN S.A., P.O. Box 1211, GENEVA 24. Tel: (022) 43.32.00.**

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The contract will be for a minimum of two years, renewable thereafter. Salary will be negotiable and free of tax in Abu Dhabi. Free accommodation, utilities, medical expenses and education allowance will be provided. Details and other benefits will be discussed at interview.

The successful candidates will be involved in the audit of managed portfolios, real estate, commodities and the treasury and will evaluate the adequacy and effectiveness of systems and controls and prepare detailed reports.

*Please send a curriculum vitae, including salary history, to:*

**Abu Dhabi Investment Authority
99 Bishopsgate, London EC2M 3XD
For the attention of R. N. McDonald**

## Financial Controller

### Nigerian Nationals

The associate company of a British based multinational seeks applications from Nigerian nationals currently working in the UK for the position of Financial Controller to be based in Lagos, Nigeria. The Company manufactures and markets products in the industrial sector with primary operations in Lagos, Warri and Kaduna.

Candidates should possess a formal accounting qualification and have at least five years relevant experience. Good man-management skills are required as is a sound understanding of the business process. The Company has an in-house computer based accounting system.

This is a senior management appointment and the remuneration package will reflect this.

Please write with full cv. quoting Ref. AJF8689 to Confidential Reply Service, Austin Knight Limited, London W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Confidential Reply Supervisor.

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## MANAGER

**FOREIGN EXCHANGE SETTLEMENTS DEPARTMENT**

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A major financial institution based in Riyadh, Saudi Arabia urgently requires a Manager for its Foreign Exchange and Money Market Settlements Department.

The manager, who will be based in Riyadh, will be in charge of a Settlements Department supporting a large and active dealing room. Candidates will have at least 10 years' banking experience including 3 years in a *management capacity of a Settlements Department.*

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Please write or telephone – in confidence – to Anthony Aman, Ref. B.907, MSL Executive Search Limited.

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The initial appointment will be for a period of 2-3 years on a single status basis.

Candidates who wish to be considered for interview in London in early May should write enclosing a career resumé and a recent passport photograph, indicating any company that they do not wish to receive their application, to Ref. 101, Pinkney, Keith, Gibbs & Co., 35 Belmont Road, Uxbridge, UB8 1RH.

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| PHIL | P | F.45 | — | — | 267 | 2.50 | — | — | " |
| PHIL | P | F.50 | — | — | — | — | 66 | 3 | " |
| RD | C | F.90 | — | — | 76 | 27 | — | — | F.116.40 |
| RD | C | F.100 | 225 | 16.30 A | 515 | 17 | 125 | 17.10 | " |
| RO | C | F.110 | 1527 | 6.00 | 499 | 2.00 | 207 | 10 | " |
| RO | C | F.120 | — | — | 826 | 4.80 | 156 | 5 | " |
| RD | P | F.110 | — | — | — | — | 22 | 6.20 | " |
| RD | P | F.120 | — | — | 161 | 8.80 | — | — | " |
| UNIL | C | F.200 | 92 | 22 | 15 | 22.60 | 0 | 20.50 | F.221.30 |
| UNIL | O | F.220 | 212 | 3 | 07 | 11.50 | 17 | 13.50 | " |
| UNIL | C | F.240 | — | — | 82 | 4 | 17 | 0 | " |

TOTAL VOLUME IN CONTRACTS 32,365

A=Asked B=Bid C=Call P=Put

## LONDON TRADED OPTIONS

| Option | | Calls April | Calls July | Calls Oct. | Puts April | Puts July | Puts Oct. |
|---|---|---|---|---|---|---|---|
| BP (USP 366) | 280 | 88 | — | — | 1½ | — | — |
| " " | 300 | 68 | 73 | 84 | 1½ | 0 | 8 |
| " " | 330 | 38 | 50 | 56 | 2 | 8 | 13 |
| " " | 360 | 11 | 24 | 32 | 7 | 10 | 22 |
| CGF (USP 527) | 390 | — | 147 | — | 1½ | 0 | — |
| " " | 420 | 110 | 117 | — | 1½ | 0 | — |
| " " | 460 | 70 | 85 | 92 | 2 | 10 | 18 |
| " " | 500 | 30 | 63 | 63 | 0 | 18 | 27 |
| " " | 550 | 3 | 28 | 38 | 27 | 40 | 47 |
| " " | 600 | 1 | 11 | 17 | — | 80 | — |
| CTD (USP 97) | 70 | 28 | 30 | 33 | 1 | 1½ | 2 |
| " " | 80 | 18 | 20 | 22 | 1 | 2½ | 0 |
| " " | 90 | 8 | 12 | 14 | 1 | 4 | 3 |
| " " | 100 | 2 | 6 | 8½ | 4 | 7 | 2 |
| CUA (USP 149) | 120 | 30 | 32 | 36 | 1 | 1½ | 2 |
| " " | 130 | 20 | 23 | 26 | 1 | 0 | 4 |
| " " | 140 | 10 | 10 | 12 | 2 | 7 | 2 |
| " " | 160 | 1 | 8 | 10 | 14 | 17 | 20 |
| GEC (USP 228) | 197 | 33 | — | — | 1 | — | — |
| " " | 200 | — | 38 | 45 | — | 5 | 10 |
| " " | 217 | 13 | — | — | 2 | — | — |
| " " | 220 | — | 23 | 29 | — | 12 | 18 |
| " " | 237 | 0 | — | — | 11 | — | — |
| " " | 240 | — | 9 | — | — | 20 | — |
| " " | 260 | 1 | 4 | — | 34 | 36 | — |
| GM (USP 340) | 240 | — | — | — | 1 | — | — |
| " " | 260 | 81 | — | — | 1 | — | — |
| " " | 280 | 01 | 87 | — | 1 | 0 | — |
| " " | 300 | 41 | 48 | 53 | 2 | 3 | 7 |
| " " | 330 | 11 | 25 | 33 | 2 | 11 | 14 |
| " " | 360 | 2 | 13 | 20 | 22 | 26 | 00 |
| " " | 390 | 1 | 0 | 10 | — | 62 | 54 |
| ICI (USP 410) | 280 | — | — | — | 1 | — | — |
| " " | 300 | 118 | 160 | — | 1 | — | — |
| " " | 000 | 88 | 100 | — | 1 | 0 | — |
| " " | 360 | 08 | 70 | 70 | 1 | 3 | 6 |
| " " | 390 | 28 | 44 | 52 | 2 | 8 | 12 |
| " " | 420 | 8 | 24 | 50 | 10 | 20 | 24 |
| LS (USP 327) | 260 | 69 | 74 | 80 | 1 | 2 | — |
| " " | 280 | 49 | 56 | 61 | 2 | 4 | 8 |
| " " | 300 | 29 | 33 | 43 | 2 | 0 | 12 |
| " " | 050 | 4 | 18 | 23 | 2 | 10 | 21 |
| M & S (USP 220) | 160 | 41 | 47 | 62 | 1 | 3 | 5 |
| " " | 200 | 21 | 29 | 34 | 1 | 5 | 10 |
| " " | 220 | 0 | 14 | 20 | 3 | 15 | 21 |
| " " | 240 | 1 | 0 | — | 22 | 26 | — |
| SHL (USP 506) | 420 | 88 | 94 | 100 | 1 | 0 | 7 |
| " " | 460 | 46 | 54 | 64 | 1¼ | 10 | 15 |
| " " | 500 | 11 | 26 | 33 | 10 | 22 | 30 |

| Option | | Calls May | Calls Aug. | Calls Nov. | Puts May | Puts Aug. | Puts Nov. |
|---|---|---|---|---|---|---|---|
| BBL (USP 463) | 360 | 108 | 118 | — | 1 | 2 | — |
| " " | 090 | 78 | 88 | — | 2 | 3 | — |
| " " | 420 | 48 | 58 | 75 | 2 | 8 | 13 |
| " " | 460 | 18 | 28 | 45 | 12 | 22 | 60 |
| " " | 500 | 4 | 10 | 27 | 40 | 45 | 65 |
| IMP (USP 116) | 90 | 28 | — | — | 1 | — | — |
| " " | 100 | 18 | — | — | 1½ | — | — |
| " " | 110 | 2 | 10 | 18 | 3 | 4 | 6 |
| " " | 120 | 4 | 3 | 10 | 8 | 8 | 10 |
| " " | 100 | 1 | 3¼ | 5¾ | 10 | 15 | 15 |
| LMO (USP 276) | 210 | 73 | 85 | 90 | 2 | 3 | 6 |
| " " | 230 | 53 | 63 | 72 | 2½ | 7 | 10 |
| " " | 250 | 00 | 45 | 55 | 8 | 10 | 23 |
| " " | 270 | 20 | 30 | 35 | 18 | 23 | 33 |
| " " | 290 | 9 | 20 | — | 27 | 33 | — |
| " " | 020 | 4 | 10 | — | — | 53 | — |
| " " | 350 | 2 | — | — | — | — | — |
| " " | 380 | 1 | — | — | — | — | — |
| LNR (USP 86) | 80 | 5 | 12 | 14 | 2½ | 5 | 6 |
| " " | 90 | 3 | 6½ | 7½ | 7 | 8 | 11 |
| " " | 100 | 0¼ | 0 | 3 | 15 | 16 | 20 |
| P & O (USP 149) | 100 | 01 | 51 | — | 0½ | 1 | — |
| " " | 110 | 41 | 41 | — | 0½ | 2 | — |
| " " | 120 | 01 | 01 | 02 | 1 | 2 | 4 |
| " " | 100 | 21 | 24 | 23 | 1½ | 4 | 3 |
| " " | 140 | 13 | 17 | 19 | 2½ | 8 | 13 |
| " " | 160 | 4½ | 10 | 13 | 13 | 20 | 22 |
| RCL (USP 484) | 420 | 77 | 84 | 95 | 2 | 6 | 12 |
| " " | 460 | 40 | 62 | 64 | 7 | 14 | 22 |
| " " | 500 | 10 | 20 | 37 | 22 | 27 | 37 |
| " " | 550 | 0 | 10 | — | 62 | 65 | — |
| " " | 600 | 1 | 2 | — | 112 | 112 | — |
| " " | 650 | 1 | — | — | 162 | — | — |
| RTZ (USP 542) | 390 | 157 | — | — | 1 | — | — |
| " " | 420 | 127 | 130 | — | 2 | — | — |
| " " | 460 | 87 | 95 | — | 3 | 7 | — |
| " " | 500 | 50 | 62 | 72 | 0 | 17 | 24 |
| " " | 550 | 20 | 07 | 47 | 27 | 35 | 44 |
| VRF (USP $114) | 70 | — | — | — | 1 | — | — |
| " " | 80 | — | — | — | 1 | — | — |
| " " | 90 | 27½ | 50½ | 33½ | 2 | 3 | 5 |
| " " | 100 | 18½ | 22 | 24 | 0 | 5½ | 2 |
| " " | 110 | 10 | 10½ | 19 | 5 | 9 | 12½ |
| " " | 120 | 5½ | 11 | 14 | 2 | 10 | 17½ |
| " " | 130 | 0 | 7½ | 9½ | 16½ | — | 23 |
| " " | 140 | 0¼ | 5½ | 5½ | — | — | — |

| Option | | Calls June | Calls Sept. | Calls Dec. | Puts June | Puts Sept. | Puts Dec. |
|---|---|---|---|---|---|---|---|
| BHM (USP 403) | 360 | 52 | 60 | 68 | 4 | 5 | 9 |
| " " | 090 | 32 | 43 | 46 | 12 | 18 | 20 |
| " " | 420 | 11 | 17 | 23 | 27 | 33 | 37 |
| GKN (USP 156) | 160 | 2 | 10 | 21 | 10 | 12 | 16 |
| " " | 180 | 5 | 7 | 13 | 25 | 28 | 31 |

Apr. 13 Total Contracts 4,)65 Calls 3,427 Puts 739

# INSURANCE & OVERSEAS MANAGED FUNDS

**London A'deen & Nthn. Mtl. Assur. Ltd.**
129 Kingsway, London, WC2B 6NF 01-404 0393

| | | | | |
|---|---|---|---|---|
| "Assat Builder" | 63.7 | 67.0 | | — |

**London Indemnity & Gnl. Ins. Co. Ltd**
18-20, The Forbury, Reading 583511.

| | | | | |
|---|---|---|---|---|
| Money Mngr April 1 | 56.7 | 62.2 | | — |
| M.M.Flexible April 6 | [illegible] | [illegible] | | — |
| Fixed Interest April 1 | 52.6 | 55.4 | | — |

**London Life Linked Assur. Ltd.**
100, Temple St., Bristol, BS1 6EA. 0272-279179

| | | | | |
|---|---|---|---|---|
| Equity | 209.5 | 215.7 | | — |
| Fixed Interest | 154.1 | [illegible] | | — |
| Property | 160.4 | [illegible] | | — |
| Deposit | 128.5 | [illegible] | | — |
| Mixed | 180.1 | [illegible] | | — |
| Indexed Stk. | 113.3 | [illegible] | | — |

**London Life Managed Funds Ltd.**

| | | | | |
|---|---|---|---|---|
| Equity (P.) | 148.9 | 154.1 | | — |
| Fixed Int. (P.) | 257.2 | [illegible] | | — |
| Property (P.) | 117.1 | 121.1 | | — |
| Deposit (P.) | 116.0 | 136.0 | | — |
| Mixed (P.) | 141.9 | 145.6 | | — |
| Indexed Stock (P.) | 119.2 | 120.0 | | — |

**London & Manchester Gp.**
Winslade Park, Exeter EX5 1DS. 0392 52155

**Property Growth Assur. Co. Ltd.**
Leon House, Croydon CR9 1LU. 01-680 0606

| | | | | |
|---|---|---|---|---|
| Property Fund | | 282.8 | | — |
| Property Fund (A) | | 275.5 | | — |
| Agricultural Fund | | [illegible] | | — |
| Agric. Fund (A) | | [illegible] | | — |
| Abbey Nat. Fund | | 224.0 | | — |
| Abbey Nat. Fd. (A) | | 223.2 | | — |
| Investment Fund | | [illegible] | +0.1 | — |
| Investment Fund (A) | | 150.0 | +0.1 | — |
| Equity Fund | | [illegible] | -0.1 | — |
| Equity Fund (A) | | 391.7 | -0.1 | — |
| Money Fund | | 208.7 | +0.1 | — |
| Money Fund (A) | | 205.1 | +0.1 | — |
| Actuarial Fund | | [illegible] | | — |
| Gilt-edged Fund | | [illegible] | -0.1 | — |
| Gilt-Edged Fd. (A) | | [illegible] | -0.1 | — |
| Retire Annuity | | [illegible] | | — |
| Immed. Ann'ty | | 294.0 | | — |
| International Fd. | 235.2 | | | — |

**Property Gth Fun & Annuities Ltd**

| | | | | |
|---|---|---|---|---|
| All Weather Ac. Uts. | 240.9 | 253.5 | | — |
| Inv. Fd. Uts. | | 266.0 | | — |
| Pension Fd. Uts. | | 240.6 | | — |
| Conv. Pens. Fd. | | 272.3 | | — |
| Cnv. Pns. Cap. Ut. | | 207.6 | | — |
| Man. Pens. Fd. | | 316.6 | | — |
| Man. Pens. Cap. Ut. | | [illegible] | | — |
| Prop. Pens. Fd. | | 270.9 | | — |
| Prop. Pens. Cap. Uts. | | [illegible] | | — |
| Bldg. Soc. Pen. Ut. | | 240.4 | | — |
| Bldg. Soc. Cap. Ut. | | 188.0 | | — |
| Gilts Pens. Fd. | | 164.4 | | — |
| Gilts Pens. Fd. Cap. | | 146.6 | | — |
| Equity Pens. Fd. | | 242.6 | -0.7 | — |
| Equity Pens. Fd. Cap. | | 216.3 | -0.7 | — |

**Providence Capital Life Assc. Co. Ltd.**
30 Uxbridge Road, W12 8PG. 01-749 9111

| | | | | |
|---|---|---|---|---|
| Equity Acc. | 101.1 | 106.7 | +2.2 | — |
| Fixed Interest Acc. | [illegible] | 94.4 | +0.7 | — |
| Intnl. Acc. | 76.7 | 81.0 | -0.3 | — |
| Managed Acc. | [illegible] | [illegible] | +0.6 | — |
| Property Acc. | 107.6 | 113.6 | +0.1 | — |

## OFFSHORE AND OVERSEAS

## NOTES

# INTERNATIONAL CAPITAL MARKETS

## Danish state bonds offered to foreigners

BY HILARY BARNES IN COPENHAGEN

FOREIGN INVESTORS will be permitted to buy Danish Government bonds again from May 1, as part of an extensive liberalisation of foreign exchange restrictions. The right was suspended in 1979.

The announcement produced a cut of about 1 per cent in effective interest rates on government bonds in yesterday's market, taking the level to about 13 per cent. Last autumn the effective yield on government papers was 22 per cent and at times more than 23 per cent.

The access to foreign markets is expected to send yields tumbling further. Banking informants believe interest rates could fall to 10 or 11 per cent in coming weeks.

The Government's move is designed to bring down interest rates and thereby relieve the crushing burden of interest payments on the national debt.

Net interest payments through the state budget last year were DKr 17bn ($1.97bn) on a budget balancing at DKr 189bn, and they will rise to DKr 30bn in 1983, according to the Government's latest estimate.

The liberalisation of foreign purchases of government bonds has been made possible by the success of the present non-Socialist coalition Government's anti-inflation policies, which in turn have removed fears of further devaluations.

In the recent EMS readjustments, the krone was revalued by 2.5 per cent in relation to the other EMS currencies.

The key measure was the abolition of wage indexation last autumn followed by the conclusion of moderate collective wage agreements in February. The Government now expects consumer prices to rise by less than 4 per cent in 1983





## LONDON RECENT ISSUES

### EQUITIES

| Issue price | Amount paid up | Latest Renunc. date | 1983 High | 1983 Low | Stock | Closing price | + or − | Net Div. | Times Covered | Gross Yield | P.E. Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 140 | F.P. | 15/4 | 143 | 132 | ✠Airship Inds | 132 | ...... | — | — | — | — |
| 112 | F.P. | 13/5 | 164 | 122 | Assoc. British Ports | 158 | −2 | b7.0 | 1.5 | 6.3 | 14.9 |
| — | F.P. | — | 100 | 95 | Atl'tc M'trp'n U.S.$.10 | 85 | ...... | Q8c | 0.6 | 5.7 | 51.9 |
| ¶180 | F.P. | 5/5 | 253 | 228 | Datastream 5p | 240 | −5 | b2.25 | 8.5 | 1.3 | 30.4 |
| ‖ | F.P. | 13/4 | 220 | 120 | ✠Grainger Trust | 190 | ...... | u3.8 | 2.3 | 8.2 | 17.8 |
| §38 | F.P. | 8/4 | 112 | 88 | ✠HB Elect Comps 10p | 93 | −2 | u1.12 | 3.2 | 1.7 | 20.8 |
| ‖ | F.P. | — | 60 | 40 | ✠IntervisionVideo10p | 45xd | +1 | 1.0 | 0.1 | 3.5 | 17.0 |
| §£48 | F.P. | — | £67 | £65 | Perstorp AB Free 'B' | £67 | ...... | Q9.64% | 5.9 | 0.7 | 29.5 |
| ‖ | F.P. | — | 110 | 83 | ✠Sinclair (Wm.) | 85 | ...... | §4.25 | 1.0 | 7.3 | 20.1 |
| ‖ | F.P. | — | 105 | 77 | Do. Defd | 80 | ...... | — | — | — | — |
| 173 | F.P. | 23/3 | 303 | 253 | Superdrug Stores 10p | 253 | ...... | Hd3.3 | ϕ | 1.9 | ϕ |
| §10 | F.P. | 11/3 | 29 | 22 | ✠Tele.Services Int10p | 25½ | ...... | b0.2 | 3.3 | 1.2 | 36.0 |
| §72 | F.P. | 30/3 | 113 | 82 | ✠Utd. Packaging 10p | 105 | ...... | b2.5 | 3.2 | 3.4 | 11.9 |
| 1160 | F.P. | 18/2 | 340 | 233 | ✠WightCollinsR.S10p | 335 | ...... | bd2.75 | 3.3 | 1.5 | 28.5 |

### FIXED INTEREST STOCKS

| Issue price £ | Amount paid up | Latest Renunc. date | 1983 High | 1983 Low | Stock | Closing price | + or − |
|---|---|---|---|---|---|---|---|
| ‖ | Nil | — | 45pm | 15pm | Bifurcated Con. Cum. Red. Pref. '21-93 | 45pm | ...... |
| 99.431 | F.P. | 10/4 | 101⅛ | 81½ | Birmingham 11½% Red. 2010 | 29¼ | ...... |
| ¶¶ | F.P. | 20/5 | 95½ | 95 | Brooke Tool 17% Conv. Cum. Prf. 50p | 95 | ...... |
| 18 | £28 | 30/5 | 28 | 24¼ | Hambros Inv. 6-17% Stpd. Deb. 2018 | 28 | ...... |
| ‖ | F.P. | — | 225p | 160p | ✠Intervision 7% Cnv. Red. Prf. | 160p | +2 |
| — | — | — | 100½ | 99 | Nationwide Bdg. Soc. 11¼% Bds. 10/5/84 | 100½ | ...... |
| — | — | — | 100½ | 100⅛ | Do. 11¼% Bds. 9/4/84 | 100½ | ...... |
| ¶¶ | F.P. | 20/5 | 24p | 11p | Newman Inds. 10% Cm Cnv Red.Prf. 10p | 13½p | −½ |
| §97.174 | £25 | 6/5 | 30½ | 22 | Pearson (S) 13% Uns. Ln. 2007 | 32¼ | −¼ |
| ¶100 | F.P. | 0/5 | 102 | 101½ | Sutton Dist. Water 7% Pref. 1988 | 101½ | ...... |

### "RIGHTS" OFFERS

| Issue price | Amount paid up | Latest Renunc. date ● | Latest Renunc. date ■ | 1983 High | 1983 Low | Stock | Closing price | + or − |
|---|---|---|---|---|---|---|---|---|
| 850 | F.P. | 08/2 | 28/4 | 342 | 273 | AGB Research 10p | 318 | +8 |
| 78 | F.P. | 12/4 | 15/5 | 94 | 86 | ✠Aidcom Int. 10p | 88 | +1 |
| ‖140 | F.P. | 25/3 | 15/4 | 134 | 73 | ✠Airship Inds. | 133 | —— |
| 280 | F.P. | 25/3 | 2/4 | 410 | 025 | Applied Computer | 405 | +0 |
| 55 | Nil | 26/4 | 3/6 | 51pm | 42pm | BSR 10p | 42pm | −3 |
| 11 | F.P. | — | 12/4 | 13¼ | 10½ | ✠Berkeley& Hay Hill Invs 10p | 10¾ | +¼ |
| 10 | F.P. | 8/4 | 20/5 | 14 | 11½ | Bluemel Bros. | 14 | +1 |
| 158 | F.P. | 8/4 | 31/5 | 199 | 175 | Brit. Car Auctions 10p | 199 | +2 |
| 175 | Nil | 28/4 | 00/6 | 60pm | 50pm | Collins (William) | 60pm | ...... |
| 175 | Nil | 28/4 | 20/5 | 58pm | 45pm | Do. A | 58pm | ...... |
| 45 | Nil | 30/4 | 8/6 | 8pm | 6pm | Comben Grp. 10p | 7pm | −1 |
| 73 | F.P. | 7/3 | 15/3 | 106 | 85 | Dominion Int. 20p | 95 | ...... |
| 22 | Nil | 09/4 | 24/5 | 2½pm | 1¼pm | East Rand Cons. 10p | 2pm | −½ |
| 95 | Nil | 18/4 | 16/6 | 18pm | 10pm | Ferguson Ind. | 18pm | ...... |
| 385 | F.P. | — | 27/5 | 598 | 522 | Fisons £1 | 598 | ...... |
| 102 | F.P. | 7/5 | 09/5 | 117 | 113 | ✠Garfunkels 10p | 114 | −2 |
| 165 | F.P. | 11/3 | 10/6 | 183 | 162 | Geers Gross 10p | 174 | +2 |
| 30 | F.P. | 12/4 | 20/6 | 47 | 40 | Guinness Peat | 47 | ...... |
| 162 | Nil | 27/4 | 18/5 | 18pm | 8pm | Hampton Gld Mining 10p | 11pm | ...... |
| 260 | Nil | 15/4 | 13/6 | 58pm | 44pm | Harris Queensway | 50pm | +4 |
| Ir£0.90 | Nil | — | — | 20pm | 19pm | Irish Distillers | 16pm | ...... |
| 185 | Nil | 31/3 | 6/6 | 90pm | 30pm | LASMO | 85pm | −5 |
| 110 | Nil | — | — | 15pm | 10pm | Leisuretime Int. 10p | 13p | +3 |
| 140 | F.P. | 28/3 | 6/5 | 194 | 173 | Magnet & Southerns | 182 | ...... |
| 28 | F.P. | 18/3 | 25/4 | 30 | 28 | Mettoy | 30 | +1 |
| 176 | Nil | — | — | 52pm | 52pm | Mowlem (J) | 54pm | −2 |
| A$1.50 | P.P. | 28/4 | ee/o | 90 | 87 | North B. Hill 50c | 90 | ...... |
| 58 | F.P. | 3/3 | 29/4 | 76 | 81 | Stakis 10p | 76 | +½ |
| 400 | F.P. | 4/3 | 02/4 | 585 | 423 | Ultramar | 580 | −5 |
| 81 | F.P. | 28/3 | 6/3 | 100 | 100 | Valor | 200 | ...... |
| 18 | Nil | 26/4 | 87/5 | 10½pm | 8pm | Whittington Int'l | 8pm | ...... |

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. a Assumed dividend and yield. ¤ Forecast dividend; cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. only for restricted dividends. ϕ Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

## Société Générale in $200m FRN

By Peter Montagnon in London

SOCIÉTÉ Générale, a leading French bank yesterday launched a $200m, seven-year floating rate note (FRN) in the Euromarkets. The notes are accompanied by warrants entitling the holder to purchase fixed rate 10¾ per cent bonds.

Led by Société Générale and Merrill Lynch, the floating rate notes will bear interest at a margin of ¼ per cent over the six month interbank offered rate for Eurodollar deposits (Libor). There is a minimum coupon of 5¼ per cent and the paper has been priced at par.

Each $10,000 floating rate note includes five warrants to buy a $1,000, 10¾ per cent bond issue at par at any time until December 15.

The issue is intended to give Société Générale eventual access to fixed rate money at a level cheaper than presently available. Investors who hold the warrants will benefit if long-term rates fall below 10¾ per cent before December. Market reception to the deal was generally positive. Yesterday afternoon the floating rate notes were trading ex-warrants at a price of around 99.3 and the warrants themselves were quoted at about $15.

Yesterday was also marked by a $50m increase in the 10⅜ per cent, seven year issue launched earlier this week by Merrill Lynch. The total amount of the issue now stands at $200m and was holding up extremely well in the market despite this higher amount at a discount of about ⅜ from its par issue price.

As with the 10 per cent issue launched last week by Union Bank of Switzerland, the Merrill Lynch bond has benefited from the borrower's own large placing power. Merrill Lynch is understood to have absorbed more than half the issue even after the amount has been increased and this has created something of a shortage of the paper in the market.

Despite a generally good reception for new issues in the market at the moment, trading in seasoned issues remains rather sluggish. Yesterday prices were little changed with a firm undertone.

In Germany the European Coal and Steel Community is raising DM 200m through a ten year, 7½ per cent bond priced at par by lead managers Dresdner Bank. Simultaneously Denmark has launched a two tranche issue comprising DM 100m of five year 7¾ per cent paper and DM 100m of ten year 8 per cent paper. The issue is led by WestLB which will price both tranches later.

The EEC is raising SwFr 100m through a ten year issue with an indicated yield of 5¾ per cent and led by Kredietbank (Suisse) and Nordfinanz-Bank.

## FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for April 13.

| U.S. DOLLAR STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Amex O/S Fin 10¼ 90 | 100 | 98⅞ | 99¼ | +0½ | −0¾ | 10.96 |
| Amro Bank 10 89 | 200 | 106½ | 107 | +0⅛ | +0⅞ | 11.44 |
| British Col Hyd 10¼ 88 | 200 | 98½ | 99 | 0 | +0½ | 10.58 |
| British Col Hyd 15¼ 92 | 150 | 117¾ | 118¼ | −0⅛ | +0½ | 11.91 |
| Canada 14⅞ 87 | 750 | 111¼ | 111¾ | 0 | −0⅛ | 10.78 |
| Canadair Ltd 12½ 89 | 175 | 105¾ | 106¼ | +0⅛ | −0¾ | 11.13 |
| Canadian Wheat 11¼ 90 | 50 | 100¾ | 101¼ | 0 | +0⅞ | 11.02 |
| Can Pac Sec 15 89 | 75 | 110 | 110¾ | 0 | +0¼ | 12.48 |
| Citicorp O/S 15 84/92 | 100 | 104⅞ | 105⅛ | 0 | +0⅛ | 8.68 |
| Coca Cola Int 9⅞ 92 | 100 | 25 | 25½ | −0⅛ | −0⅛ | 10.69 |
| Coca Cola Int 11¾ 89 | 100 | 104¾ | 105¼ | −0⅛ | −0⅛ | 10.81 |
| Credit Suisse BHA 10½ 90 | 150 | 100⅛ | 100⅝ | −0⅛ | +0⅛ | 10.41 |
| Credit Suisse 10½ 89 | 100 | 101⅞ | 101⅞ | +0⅛ | +0⅞ | 10.13 |
| Deutsche Bk Fin 14⅛ 89 | 300 | 112⅛ | 112⅝ | −0¼ | +1¾ | 11.37 |
| Du Pont 11⅛ 95 | 150 | 102⅛ | 102⅝ | 0 | +0⅛ | 10.87 |
| Du Pont 14⅛ 89 WW | 200 | 106¾ | 108¼ | +0¼ | +5¾ | 12.86 |
| E.D.C. 10¾ 89 | 100 | 100⅝ | 101¼ | −0⅛ | +0⅞ | 10.48 |
| E.D.F. 12¾ 87 | 150 | 103⅞ | 103⅞ | 0 | +0⅛ | 11.63 |
| E.E.C. 10¾ 89 | 75 | 96¼ | 96¾ | −0¼ | −0¼ | 11.29 |
| E.E.C. 11½ 95 | 200 | 99¾ | 100¼ | −0⅛ | +0⅜ | 11.48 |
| E.I.B. 11 91 | 125 | 99⅛ | 99⅝ | 0 | +0⅝ | 11.11 |
| E.I.B. 15½ 92 | 100 | 110⅞ | 114⅞ | −0⅛ | +0⅞ | 12.70 |
| Exp Dev Corp 11¾ 87 | 100 | 103 | 103½ | −0¼ | +0½ | 10.77 |
| Forsmarks 13¾ 92 | 75 | 106½ | 107 | +0⅛ | +0⅞ | 12.46 |
| Gaz de France 12¼ 93 | 175 | 20½ | 21 | +0⅛ | 0 | 12.11 |
| Gen Elec Credit 9¾ 91 | 100 | 14⅝ | 15⅛ | 0 | 0 | 10.69 |
| Gen Elec Credit 12 89 | 100 | 106⅞ | 107⅜ | −0¼ | −0⅛ | 10.40 |
| GMAC O/S Fin 10½ 88 | 200 | 98½ | 99 | +0¼ | +0⅝ | 10.75 |
| GMAC O/S Fin 15 87 | 100 | 109⅛ | 109¾ | +0⅛ | +0¼ | 11.91 |
| Gulf Oil Fin 12¼ 87 | 100 | 104⅛ | 104⅝ | +0⅛ | +0⅞ | 10.91 |
| Honeywell Int 10¾ 00 | 100 | 98⅛ | 98⅝ | +0⅛ | +0⅞ | 11.07 |
| IBM World Trade 12¼ 92 | 200 | 110⅛ | 110⅝ | 0 | +0½ | 10.45 |
| Manitoba Prov 11¾ 89 | 125 | 103½ | 104 | 0 | +0⅞ | 10.89 |
| Manitoba Prov 13¾ 89 | 100 | 109⅛ | 109⅝ | 0 | +0¼ | 11.57 |
| Midland Int Fin 11⅛ 92 | 150 | 100½ | 101 | −0⅛ | +0⅛ | 11.34 |
| Nat West Fin 11⅝ 92 | 150 | 102¼ | 102¾ | −0⅛ | +0⅞ | 11.28 |
| New Brunswick 15¼ 87 | 75 | 111⅝ | 112⅛ | +0⅛ | +0⅛ | 11.54 |
| Newfoundland 15⅛ 99 | 75 | 113⅝ | 114⅛ | −0⅛ | +0¼ | 12.46 |
| Nippon Credit 11¼ 93 | 100 | 98⅞ | 99⅜ | −0⅛ | +0¼ | 11.48 |
| Nova Scotia Prv 15¼ 89 | 75 | 113⅞ | 114⅜ | 0 | +0⅞ | 11.95 |
| Ontario Hydro 11¼ 89 | 200 | 102¾ | 103¼ | 0 | +0¼ | 10.68 |
| Ontario Hydro 12¾ 92 | 200 | 107½ | 108 | +0⅛ | +0⅜ | 11.35 |
| Ontario Hydro 15 92 | 150 | 117½ | 118 | 0 | +0⅜ | 11.73 |
| Prudential O/S 10⅛ 93 | 100 | 100⅛ | 100⅝ | 0 | +0¼ | 10.56 |
| Prudential O/S 12¾ 87 | 150 | 107¼ | 107¾ | 0 | +0¼ | 10.63 |
| Quebec Hydro 11⅛ 92 D | 100 | 102⅛ | 102⅝ | +0⅛ | +0⅜ | 11.06 |
| R. J. Reynolds 12¾ 89 | 100 | 105¼ | 105¾ | +0⅛ | +0¼ | 11.49 |
| Saskatchewan Pr 10¾ 00 | 125 | 99 | 99½ | 0 | +0⅛ | 10.90 |
| S.N.C.F. 11½ 93 | 100 | 99⅞ | 100⅜ | 0 | +0½ | 11.47 |
| Swed Exp Credit 14⅞ 90 | 100 | 110⅞ | 111⅜ | +0¼ | +0¾ | 12.29 |
| Swiss Bk Corp 10¼ 90 | 125 | 101½ | 102 | 0 | +0⅝ | 9.86 |
| Texaco Capital 9¾ 00 | 150 | 95⅛ | 95⅝ | +0⅛ | +0⅝ | 10.72 |
| U.B.S. 11 89 | 150 | 103⅜ | 103⅞ | 0 | +0¼ | 10.10 |
| Walt Disney Pro 12½ 89 | 75 | 105⅛ | 105⅝ | +0⅞ | +0½ | 11.17 |
| World Bank 10¾ 88 | 150 | 99¼ | 99¾ | 0 | +0⅝ | 10.81 |
| World Bank 10⅞ 93 | 100 | 99⅛ | 99⅝ | 0 | +0⅜ | 10.99 |
| World Bank 11¼ 88 | 100 | 98¾ | 99¼ | 0 | +0¼ | 11.25 |

Av. price changes: on day 0, on week +⅜

| DEUTSCHE MARK STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Aeroport Paris 8¼ 92 | 80 | 100⅝ | 101⅛ | −0⅛ | −0⅛ | 8.11 |
| Australia 8⅞ 93 | 200 | 99⅛ | 99⅝ | 0 | +0¼ | 8.96 |
| Australia 7¾ 92 | 200 | 104⅝ | 105⅛ | +0⅛ | −0⅛ | 7.02 |
| Bank of Tokyo 7⅛ 00 | 100 | 100 | 100½ | 0 | 0 | 7.19 |
| Bayer Capital 7⅞ 89 | 150 | 104⅝ | 105⅛ | −0¼ | +0¼ | 6.88 |
| Caisse Nat Energie 8 93 | 100 | 100⅛ | 100⅝ | −0⅛ | −0⅛ | 7.93 |
| Caisse Nat Tele 7¾ 93 | 200 | 98¼ | 98¾ | 0 | +0⅛ | 7.97 |
| E.C.S.C. 7½ 93 | 150 | 99⅛ | 99⅝ | −0⅛ | 0 | 7.58 |
| E.E.C. 7¾ 95 | 200 | 100 | 100½ | −0⅛ | +0⅛ | 7.71 |
| E.E.C. 8 94 | 200 | 101⅛ | 101⅝ | 0 | −0⅛ | 7.79 |
| Eurofima 7⅞ 91 | 100 | 101⅞ | 102⅜ | 0 | +0⅜ | 7.13 |
| Ferrovie Dello 8¾ 88 | 150 | 102½ | 103 | 0 | +0¼ | 8.04 |
| Gould Int Fin 8¼ 89 | 75 | 103⅜ | 103⅞ | 0 | +0¼ | 7.52 |
| H.J. Heinz Int 8¾ 88 | 50 | 100½ | 100⅞ | +0⅜ | +0¼ | 9.62 |
| Int-Am Dev Bk 8⅛ 93 | 150 | 101⅛ | 101⅝ | −0⅛ | +0⅛ | 8.03 |
| Ireland 8½ 90 | 150 | 101½ | 102 | 0 | +0⅜ | 8.15 |
| Ireland 8⅞ 91 | 150 | 102 | 102½ | −0⅛ | −0¼ | 8.45 |
| ITT Antilles 7 93 | 200 | 98 | 98½ | −0⅛ | −0⅛ | 7.25 |
| McDonalds Fin 7⅛ 82 | 100 | 101⅞ | 101⅞ | 0 | 0 | 8.88 |
| Mitsui O.S.K. 7¼ 00 | 100 | 100¼ | 100¾ | −0⅛ | +0⅜ | 3.12 |
| Mount Isa Fin 7⅞ 90 | 100 | 95 | 95½ | −0⅛ | +0⅞ | 7.96 |
| Quebec Hydro 8 93 | 200 | 102¾ | 103¼ | −0⅛ | −0⅛ | 7.55 |
| Sweden Kingdom 8⅛ 89 | 150 | 102⅜ | 102⅞ | −0⅛ | +0¼ | 7.72 |
| Volkswagen Int 7¼ 93 | 200 | 98⅛ | 98⅝ | −0⅛ | +0⅛ | 7.48 |
| World Bank 7¼ 93 | 200 | 98¼ | 98¾ | 0 | +0⅛ | 7.47 |

Av. price changes: on day 0, on week +⅛

| SWISS FRANC STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Air Canada 5½ 95 | 100 | 98½ | 98¾ | 0 | 0 | 6.20 |
| American Express 4¾ 93 | 100 | 98½ | 98¾ | 0 | +0¼ | 4.93 |
| Asian O.B. 5⅞ 95 | 100 | 99 | 99¼ | 0 | −0⅛ | 5.98 |
| BTR Finance 5⅝ 93 | 75 | 98⅝ | 98½ | 0 | +0½ | 5.84 |
| Carls-Tuborg Brw 5¾ 93 | 60 | 101⅜ | 102⅛ | −0⅛ | +0⅜ | 5.48 |
| Chugoku Ele Pow 6⅛ 91 | 100 | 103 | 103¼ | 0 | +0⅛ | 5.61 |
| Chujitsuya Co 5⅞ 03 | 50 | 98 | 98¼ | +0⅛ | +0½ | 6.13 |
| Ex-Im Bk Japan 5 93 | 100 | 97⅝ | 98 | +0¼ | +1 | 5.28 |
| First Interstate 6 92 | 100 | 103½ | 103¾ | −0⅛ | 0 | 5.50 |
| Gaz de France 6 93 | 100 | 100⅝ | 101 | −0⅛ | +0⅜ | 5.86 |
| Gothenburg Airport 6 92 | 50 | 100⅛ | 100⅜ | +0⅛ | +0⅛ | 5.96 |
| HCA Finance 5 93 | 100 | 97¼ | 97½ | 0 | −0¼ | 5.35 |
| Kyushu Elec Power 6 02 | 100 | 100¾ | 101 | 0 | +0¼ | 5.87 |
| Manitoba Prov 5¼ 93 | 100 | 101½ | 101¾ | +0⅛ | 0 | 5.04 |
| Nippon Express Co 6 93 | 50 | 101¼ | 101½ | 0 | 0 | 5.81 |
| Nippon Kokan 5⅝ 93 | 100 | 96¼ | 96½ | 0 | +0⅞ | 6.12 |
| Norsk Hydro 5½ 88 | 100 | 98¼ | 98½ | +0⅛ | +0¼ | 5.66 |
| O.K.G. 6¾ 93 | 60 | 101⅛ | 101⅜ | −0½ | −0½ | 6.51 |
| Quebec 5¾ 92 | 100 | 103 | 103¼ | +0½ | +0⅞ | 5.33 |
| Shikoku Elec Pow 5⅞ 93 | 100 | 97⅞ | 98 | +0¼ | −0⅛ | 5.91 |
| Tohoku Elec Power 6 93 | 100 | 100¼ | 100½ | 0 | +0⅜ | 5.95 |
| Transcanada Pipe 5¾ 93 | 100 | 99 | 99¼ | 0 | 0 | 5.87 |
| Trizec Corp 6⅛ 91 | 100 | 100¾ | 101 | 0 | +0¾ | 6.11 |
| Union Bk Norway 5¾ 93 | 80 | 98 | 98¼ | +0½ | 0 | 5.83 |
| Volvo 5⅝ 91 | 80 | 101½ | 101¾ | −0¼ | 0 | 5.12 |
| World Bank 5⅛ 93 | 100 | 100½ | 100¾ | 0 | +0⅛ | 5.41 |

Av. price changes: on day 0, on week +⅛

| YEN STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Australia 8⅛ 92 | 15 | 105⅛ | 105⅝ | 0 | −0⅛ | 7.77 |
| E.I.B. 8¼ 92 | 15 | 102 | 102¾ | 0 | −0⅜ | 7.87 |
| Japan Airlines 7⅜ 87 | 9† | 101 | 101½ | 0 | 0 | 7.48 |
| New Zealand 7⅛ 89 | 15 | 99⅞ | 100⅛ | 0 | +0⅛ | 7.56 |
| World Bank 8⅛ 02 | 20 | 103¼ | 103¾ | 0 | −0⅛ | 7.81 |

Av. price changes: on day 0, on week −⅛

| OTHER STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Cepme 12½ 90 CS | 50† | 98 | 98¼ | +0¼ | +1 | 12.88 |
| Form Credit 12¼ 93 CS | 50† | 100¾ | 101¼ | +0¼ | +0⅛ | 11.97 |
| Gaz de France 15 89 CS | 75† | 107½ | 108 | 0 | +1¼ | 13.12 |
| Gaz Metro 14½ 92 CS | 40† | 103 | 104 | 0 | 0 | 13.79 |
| Pancanadian 12½ 93 CS | 50† | 98¾ | 99¼ | 0 | +0½ | 12.68 |
| Quebec Hydro 14 02 CS | 80† | 106¾ | 107¼ | −0⅛ | +0¾ | 12.58 |
| Swed Exp CR 12¼ 90 CS | 50† | 102 | 103 | +0¼ | +0⅛ | 11.52 |
| E.I.B. 11⅞ 91 ECU | 80 | 100 | 101 | 0 | +0⅝ | 11.84 |
| Quebec Prov 11⅛ 89 ECU | 50 | 95⅝ | 96⅛ | 0 | 0 | 12.61 |
| Amfas 8⅛ 87 Fl | 60 | 104⅞ | 105¼ | 0 | 0 | 8.14 |
| Austria 7⅛ 00 Fl | 100 | 100⅛ | 100⅝ | −0⅛ | −0⅛ | 7.36 |
| Nederland Gas 7½ 88 Fl | 100 | 100⅛ | 101⅜ | +0⅛ | +0⅛ | 7.22 |
| Neder Middk 8⅛ 87 Fl | 100 | 104⅝ | 105 | 0 | 0 | 7.87 |
| Quebec Pow 7⅝ 88 Fl | 100 | 99⅛ | 99⅝ | +0⅛ | +0⅜ | 7.65 |
| World Bank 7 88 Fl | 150 | 98⅛ | 98⅝ | +0⅛ | −0⅛ | 7.34 |
| O.K.B. 14 86 FF | 400 | 99¼ | 100⅛ | +0⅜ | +0⅜ | 14.06 |
| Solvay & Cie 14⅝ 88 FF | 200 | 100⅛ | 101⅛ | −0⅛ | 0 | 14.38 |
| S.F.C.E. 14½ 07 £ | 30 | 103⅝ | 103⅝ | +0¼ | +1 | 11.87 |
| C.E.C.A. 13¼ 88 £ | 20 | 106 | 107 | 0 | +0⅝ | 11.79 |
| C.N.T. 12⅛ 88 £ | 20 | 101¼ | 102¼ | +0⅛ | +1¼ | 12.00 |
| E.E.C. 11⅛ 01 £ | 50 | 99⅝ | 100½ | −0⅛ | +1⅛ | 11.52 |
| Fin For Ind 12¼ 00 £ | 30 | 104 | 105 | 0 | +1 | 11.07 |
| Fin Mat Oraq 12⅝ 92 £ | 30 | 25⅝ | 26⅛ | +0⅛ | +1⅛ | 12.37 |
| Gen Elec Co 12¼ 89 £ | 50 | 105⅛ | 106⅛ | 0 | +0⅛ | 11.09 |
| Hiram Walker 14¼ 86 £ | 25 | 106⅞ | 107⅞ | −0⅛ | +0⅛ | 11.27 |
| Mort Bk Fin 11⅛ 00 £ | 15 | 26⅜ | 27⅜ | +0⅛ | +2⅛ | 12.49 |
| Norsk Hydro 12 00 £ | 30 | 100⅛ | 101⅛ | +0⅛ | +3⅛ | 11.73 |
| Norsk Hydro 14½ 87 £ | 30 | 108⅛ | 109⅛ | +0⅛ | +0⅜ | 11.68 |
| Quebec 14½ 88 £ | 30 | 108⅜ | 109⅜ | +0⅛ | +2 | 12.36 |
| S.D.R. France 15½ 92 £ | 30 | 107⅛ | 108⅛ | +0⅛ | +1⅛ | 13.92 |
| S.N.C.F. 11⅛ 89 £ | 30 | 97⅛ | 98⅛ | 0 | −2⅛ | 11.95 |
| Tenneco Int 14⅝ 87 £ | 30 | 108⅛ | 109⅛ | +0⅛ | +1 | 12.01 |
| World Bank 11⅞ 91 £ | 75 | 27⅛ | 28⅛ | +0⅛ | +1⅛ | 11.79 |
| Euratom 11 93 LuxFr | 500 | 102⅛ | 103⅛ | 0 | 0 | 10.55 |
| Europarat 12½ 92 LuxFr | 500 | 104 | 105 | 0 | −0⅛ | 11.66 |

| FLOATING RATE NOTES | Spread | Bid | Offer | C.date | C.cpn | C.yld |
|---|---|---|---|---|---|---|
| Bank of Tokyo 5¼ 01 (D) | 0⅛ | 100⅛ | 100⅝ | 10/8 | 9¾ | 9.71 |
| B.F.C.E. 5¼ 88 | 0¼ | 98⅛ | 99⅛ | 20/7 | 9¼ | 9.31 |
| B.F.C.E. 5¼ 87 | 0⅛ | 99⅝ | 100⅛ | 27/7 | 9.94 | 9.95 |
| Caisse Nat Tele 5¼ 00 | 0¼ | 99¼ | 99⅝ | 21/4 | 10.56 | 10.62 |
| C.C.F. 5¼ 95 | 0¼ | 99⅝ | 100⅛ | 7/10 | 10.10 | 10.20 |
| C.C.F. 5¼ 93 | 0¼ | 100 | 100½ | 24/9 | 9.94 | 9.91 |
| Cepme 5¼ 92 | 0¼ | 99⅞ | 100⅛ | 10/8 | 9.94 | 9.94 |
| Chemical NY 5¼ 94 †† | 0¼ | 100⅛ | 100⅝ | 23/6 | 9⅞ | 9.81 |
| Credit Agricole 5¼ 97 | 0¼ | 99½ | 100 | 24/9 | 10 | 10.03 |
| Credit du Nord 5¼ 92 | 0¼ | 98¼ | 98⅝ | 23/9 | 10⅛ | 10.18 |
| Credit Lyonnais 5¼ 97 | 0¼ | 99¾ | 100⅛ | 1/10 | 10.06 | 10.06 |
| Credit Lyonnais 5¼ 94 | 0¼ | 99⅞ | 99⅝ | 5/7 | 9⅛ | 9.80 |
| Credit Nat 5⅛ 94 | 0¼ | 98⅞ | 99⅛ | 0/9 | 9¼ | 9.34 |
| E.D.F. 5¼ 95 XW | 0¼ | 99⅝ | 99⅞ | 10/8 | 10 | 10.04 |
| Kansallis Osake 5½ 92 | 0¼ | 99⅞ | 100⅛ | 6/5 | 10.06 | 10.05 |
| Lloyds Eurofin 5¼ 93 S | 0¼ | 100⅛ | 100⅝ | 29/4 | 10.56 | 10.56 |
| Long Term Cred 0⅛ 92 | 0⅛ | 100⅛ | 100⅝ | 27/5 | 10⅛ | 10.10 |
| J P. Morgan 0¼ 87 S | 0¼ | 100½ | 101 | 12/5 | 9½ | 9.43 |
| New Zealand 5¼ 87 | 0¼ | 100⅛ | 100⅝ | 7/10 | 10.06 | 10.00 |
| NZ Steel Dev 5¼ 92 | 0¼ | 100⅛ | 100⅝ | 22/6 | 10.18 | 10.14 |
| Nippon Credit 0¼ 88 | 0⅛ | 100⅛ | 100⅜ | 10/8 | 9⅞ | 9.83 |
| Scotland Int 5¼ 92 | 0⅛ | 100⅛ | 100⅝ | 23/5 | 9.94 | 9.90 |
| Sec Pacific 5¼ 91 | 0⅛ | 100⅛ | 100⅝ | 24/9 | 10.56 | 10.51 |
| Société Générale 5¼ 95 | 0¼ | 99⅛ | 99⅝ | 1/9 | 9⅛ | 9.65 |
| Standard Chart 5¼ 91 | 0¼ | 100⅛ | 100½ | 19/5 | 10.68 | 10.62 |
| Sweden 5⅛ 93 | 0¼ | 99½ | 100 | 3/8 | 10.19 | 10.21 |
| Sweden 5¼ 89 | 0⅛ | 99⅝ | 99⅞ | 28/8 | 9¾ | 9.66 |

Av. price changes: on day 0, on week +⅛

| CONVERTIBLE BONDS | Cnv. date | Cnv. price | Bid | Offer | Chg. day | Prem |
|---|---|---|---|---|---|---|
| Ajinomoto 5¼ 96 | 7/81 | 933 | 90½ | 98⅝ | −0⅛ | 21.15 |
| Bridgestone Tire 5½ 88 | 3/82 | 470 | 106½ | 106¾ | 0 | 3.48 |
| Canon 7 97 | 7/82 | 748.2 | 179 | 181 | 0 | 3.86 |
| Fujitsu Fanuc 4½ 98 | 10/81 | 5614 | 111 | 113 | +0⅛ | 38.27 |
| Hitachi Cable 5¼ 88 | 2/82 | 515 | 87 | 90½ | +0¼ | 11.91 |
| Hitachi Credit Corp 5 96 | 7/81 | 1612 | 95⅝ | 97⅛ | +0⅛ | 12.44 |
| Honda Motor 5½ 97 | 3/82 | 759.6 | 112⅝ | 114⅛ | +0⅛ | 7.42 |
| Kawasaki 5⅜ 88 | 9/81 | 229 | 85⅛ | 87⅛ | −0⅛ | 32.38 |
| Komagai Gomi 6½ 97 | 10/82 | 490 | 113⅝ | 115⅛ | −0¼ | 1.43 |
| Kyowa Hakko 6¼ 97 | 2/83 | 782 | 105½ | 106½ | −0¼ | 14.78 |
| Marui 6 96 | 7/81 | 768.5 | 125⅛ | 126⅛ | +0⅛ | 7.13 |
| Minolta Camera 5 96 | 10/81 | 826.4 | 76¾ | 77⅝ | +0⅝ | 42.66 |
| Murata 5¼ 96 | 7/81 | 1971 | 111¼ | 112½ | −0¾ | 19.79 |
| Nippon Electric 5¼ 97 | 2/82 | 765.9 | 125 | 126¼ | +1¾ | 19.10 |
| Nippon Oil Co 5½ 98 | 4/83 | 964 | 96⅝ | 97⅝ | +0⅛ | 5.22 |
| Nissan Motor 5⅜ 98 | 4/83 | 770 | 95⅝ | 96¾ | −0⅛ | 1.66 |
| Olympus Optical 6¾ 97 | 12/82 | 1331 | 105⅛ | 106¾ | +0⅛ | 13.58 |
| Orient Finance 5⅛ 97 | 3/82 | 1205 | 107⅛ | 108⅝ | −0⅛ | 38.11 |
| Sumitomo Electric 5½ 97 | 3/82 | 577.3 | 97½ | 98⅝ | +0⅛ | 8.51 |
| Sumitomo Metal 5⅝ 96 | 10/81 | 296.† | 75⅝ | 76⅝ | 0 | 47.84 |
| Fujitsu 3½ 93 SF | 3/83 | 968 | 100 | 110 | +0¼ | 10.95 |
| Sharp Corp 3½ 93 SF | 3/83 | 1190 | 109½ | 111½ | +0¼ | 5.88 |
| Konishiroku 6¾ 00 DM | 8/82 | 610 | 111 | 112 | +0⅛ | 12.45 |
| Mitsubishi Heavy 8 89 DM | 2/82 | 203 | 107⅝ | 108⅝ | +0⅜ | 25.39 |
| Sun Realty 6¼ 92 DM | 2/83 | 365 | 112⅝ | 113⅝ | −0⅛ | 9.88 |

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. = current coupon. Cr. yld = current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

**Caribbean pays price of natural disasters, Page 37**





FINANCIAL TIMES

Thursday April 14 1983

## WALL STREET

# Corporate cue to a buying boom

THE ATTENTION of Wall Street switched back yesterday to the prospects for a recovery in U.S. business and, encouraged by the strong profit trends reported for the first quarter of this year by several well-known corporate names, institutional buyers were out in force, *writes Terry Byland in New York.*

Technology, motor and financial issues stood out prominently from the opening of the equity market. The Dow Jones Industrial average finally climbed to a new record of 1156.64, up 11.32, in late trading, despite losing almost all of its early gains by mid afternoon.

Investor confidence in motor stocks was restored by the industry's announcement of higher sales and by General Motors' recall of 16,000 workers at four manufacturing plants. Shares in GM rose $1⅝ to $61¼.

Chrysler met sustained demand once again and rose by $1¼ to $20⅛. Dealers commented that the shares now benefit from the successful placing of 26m shares at the end of last month. With these now clear of the market, the price can respond to the company's sales success, as one market professional put it. Ford Motor at $42 showed a gain of $1¾.

The bank results season continued with J. P. Morgan rising $2⅛ to $81⅞ on good profits in the first quarter and Bank of America $⅛ up at $23 for similar reasons.

Irving Trust added $½ to $49 after announcing results for the opening three months of the year.

There was a mixed bag of results from other business sectors.

Celanese Corporation, the fibres and chemical group, remained unchanged at $54⅝ on news of lower earnings. A similar announcement from Rowan, an oil rig company, left its shares $¼ down at $11⅞.

But Baxter Travenol, the medical products manufacturer, edged higher to $52¼, on increased profits and Rubbermaid, a maker of household ware, added $½ to $40¾ for the same reason.

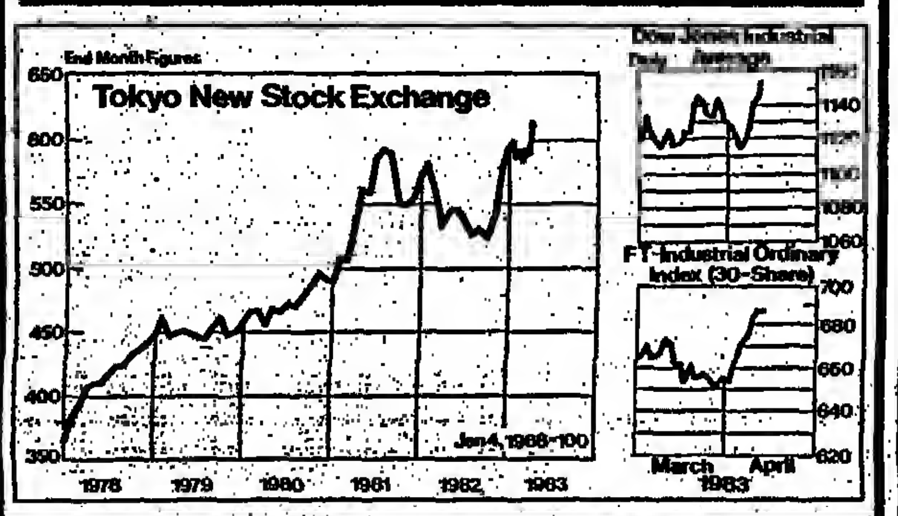
Other strong features included IBM, which rose $2 to $109, and General Electric, whose results continued to spur its shares ahead to $108¼, a net gain of $¾ on the day.

Credit markets, on the other hand, were somewhat overlooked by the major investors. With the Fed Funds rate edging up to 8½ per cent after opening lower at 8⅜ per cent, yields on Treasury bills added a couple of basis points. Three-month bills were quoted at a discount rate of 6.20 per cent and six-month bills at 8.28 per cent.

Bond prices opened lower, reflecting disappointment that the Fed had chosen to help the market by buying bills rather than bonds. The Benchmark long bond started the day at 99⅝₂, only a shade below its overnight mark. Dealers commented that retail interest in bonds soon faded as the equity market began to dominate investment attention.

Further modest gains in Toronto were achieved to the exclusion of gold mining and exploration issues, which were weighed down by a stalling bullion price. Montreal was led upward by the banks, with papers and publishing as its weak spot.

## KEY MARKET MONITORS




**STOCK MARKET INDICES**

| | Apr 13 | Previous | Year ago |
|---|---|---|---|
| **NEW YORK** | | | |
| DJ Industrials | 1156.64 | 1145.32 | 841.04 |
| DJ Transport | 514.93 | 507.78 | 348.64 |
| DJ Utilities | 125.42 | 125.48 | 111.62 |
| S&P Composite | 156.25* | 155.82 | 115.99 |
| **LONDON** | | | |
| FT Ind Ord | 687.1 | 687.7 | 554.4 |
| FT-A All-share | 428.22 | 433.66 | 321.19 |
| FT-A 500 | 466.55 | 472.13 | 345.30 |
| FT-A Ind | 431.64 | 436.88 | 314.19 |
| FT Gold mines | 622.3 | 635.9 | 267.2 |
| FT Govt secs | 82.24 | 82.49 | 66.90 |
| **TOKYO** | | | |
| Nikkei-Dow | 8480.44 | 8468.63 | 7252.93 |
| Tokyo SE | 613.35 | 611.55 | 531.81 |
| **AUSTRALIA** | | | |
| All Ord. | 561.9 | 553.8 | 472.2 |
| Metals & Mins. | 518.9 | 515.6 | 336.4 |
| **AUSTRIA** | | | |
| Credit Aktien | 53.89 | 53.57 | 52.87 |
| **BELGIUM** | | | |
| Belgian SE | 121.49 | 120.66 | 101.14 |
| **CANADA** | | | |
| Toronto Composite | 2199.3* | 2187.5 | 1634.75 |
| Montreal Industrials | 374.35* | 372.95 | 295.84 |
| Combined | 366.91* | 365.83 | 278.91 |
| **DENMARK** | | | |
| Copenhagen SE | n/a | 133.81 | 95.01 |
| **FRANCE** | | | |
| CAC Gen | 120.7 | 120.8 | 104.6 |
| Ind. Tendance | 126.6 | 127.4 | 112.3 |
| **WEST GERMANY** | | | |
| FAZ-Aktien | 298.74 | 302.52 | 238.57 |
| Commerzbank | 896.5 | 910.7 | 727.6 |
| **HONG KONG** | | | |
| Hang Seng | 1056.44 | 1052.40 | 1210.45 |
| **ITALY** | | | |
| Banca Comm. | 201.62 | 201.27 | 193.86 |
| **NETHERLANDS** | | | |
| ANP-CBS Gen | 130.0 | 131.0 | 92.2 |
| ANP-CBS Ind | 108.5 | 109.2 | 73.1 |
| **NORWAY** | | | |
| Oslo SE | 166.60 | 165.90 | 102.75 |
| **SINGAPORE** | | | |
| Straits Times | 889.21 | 892.96 | 745.62 |
| **SOUTH AFRICA** | | | |
| Golds | n/a | 880.5 | 454.2 |
| Industrials | n/a | 651.9 | 592.3 |
| **SPAIN** | | | |
| Madrid SE | 118.06 | 116.63 | 124.98 |
| **SWEDEN** | | | |
| J & P | 1272.44 | 1291.81 | 557.65 |
| **SWITZERLAND** | | | |
| Swiss Bank Ind | 316.1 | 316.1 | 262.8 |
| **WORLD** | Apr 12 | Prev | Yr ago |
| Capital Int'l | 170.0 | 168.9 | 133.3 |

**GOLD** (per ounce)

| | April 13 | Prev |
|---|---|---|
| London | $429.50 | $432.25 |
| Frankfurt | $429.25 | $433.00 |
| Zürich | $429.50 | $433.50 |
| Paris (fixing) | $430.13 | $435.52 |
| New York (April) | $432.50 | $431.90 |

* Indicates latest pre-close figure

**CURRENCIES**

| | U.S. DOLLAR Apr 13 | U.S. DOLLAR Previous | STERLING Apr 13 | STERLING Previous |
|---|---|---|---|---|
| £ | 1.5365 | 1.5415 | — | — |
| DM | 2.4380 | 2.4235 | 3.75 | 3.7375 |
| Yen | 238.3 | 237.65 | 366.5 | 366.5 |
| FFr | 7.3075 | 7.2640 | 11.2225 | 11.1950 |
| SwFr | 2.0530 | 2.04 | 3.1575 | 3.1475 |
| Guilder | 2.7465 | 2.7305 | 4.2225 | 4.21 |
| Lira | 1450.5 | 1442.5 | 2228.5 | 2223.5 |
| BFr | 48.52 | 48.21 | 74.55 | 74.30 |
| C$ | 1.2340 | 1.2320 | 1.8955 | 1.8965 |

**INTEREST RATES**

| | April 13 | Prev |
|---|---|---|
| **Euro-currencies** (three month offered rate) | | |
| £ | 10 5/16 | 10⅜ |
| SwFr | 4 3/16 | 4¼ |
| DM | 5 / | 5⅛ |
| FFr | 13⅝ | 14⅝ |
| **FT London Interbank fixing** (offered rate) | | |
| 3-month U.S.$ | 9 5/16 | 9 5/16 |
| 6-month U.S.$ | 9 7/16 | 9 7/16 |
| **U.S. Fed Funds** | 8⅝ | 8⅝ |
| **U.S. 3-month CDs** | 8.60 | 8.60 |
| **U.S. 3-month T-bills** | 8.20 | 8.18 |

**U.S. Treasury Bonds**

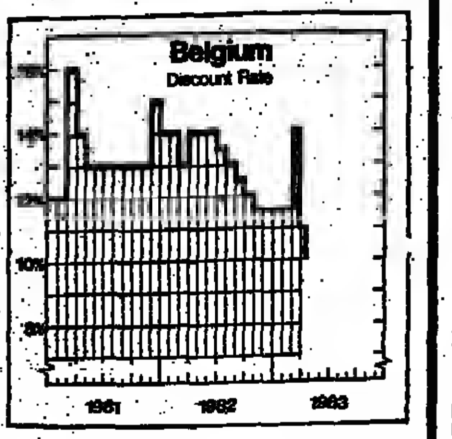
| | April 13 Price | April 13 Yield | Prev Price | Prev Yield |
|---|---|---|---|---|
| 9⅜ 1985 | 100 7/32 | 9.49 | 100 9/32 | 9.45 |
| 10½ 1990 | 101 9/32 | 10.26 | 101 15/32 | 10.23 |
| 10⅜ 1993 | 103 3/32 | 10.36 | 103 3/32 | 10.36 |
| 10⅜ 2012 | 99 17/32 | 10.43 | 99 25/32 | 10.41 |

**FINANCIAL FUTURES**

| CHICAGO | Latest | High | Low | Prev |
|---|---|---|---|---|
| **U.S. Treasury Bonds (CBT)** 8% 32nds of 100% | | | | |
| June | 77-30 | 78-01 | 77-18 | 77-20 |
| **U.S. Treasury Bills (IMM)** $1m points of 100% | | | | |
| June | 91.85 | 91.91 | 91.78 | 91.81 |
| **Cert Deposit (IMM)** $1m points of 100% | | | | |
| June | 91.16 | 91.21 | 91.07 | 91.11 |
| **LONDON** | | | | |
| **Three-month Eurodollar** $1m points of 100% | | | | |
| June | 90.85 | 90.88 | 90.82 | 90.86 |
| **20-year Notional Gilt** £50,000 32nds of 100% | | | | |
| June | 106-06 | 106-21 | 105-30 | 106-14 |

**LONDON COMMODITY MARKETS**

| | April 13 | Prev |
|---|---|---|
| Silver (spot fixing) | 727p | 740.15p |
| Copper (cash) | £1067 | £1082.50 |
| Coffee (May) | £1817 | £1827.50 |
| Oil (spot Arabian light) | $28.80 | $28.75 |




## LONDON

# Next move awaited from banks

A LONG-AWAITED cut in money market intervention rates yesterday partially justified optimism about cheaper money trends, but London financial markets were not aroused and continued their cautious approach, awaiting positive developments by the UK clearing banks. A cut in base lending rates is now almost inevitable but stock markets have risen sharply over the past few sessions in anticipation of the event.

Scattered profit-taking was a feature of equity trade, but selling had already dried up before the Bank of England's move in money markets and leading shares, after having picked up from the day's lows, closed narrowly mixed on balance.

The FT Industrial Ordinary Share index closed 0.6 down at 687.1. It was influenced for the second day running by GKN, which mirrored unfavourable comment on the group's prospects following Tuesday's surprise rights issue by weakening afresh. The engineering group's shares fell to 153p before settling at 156p, down 8p.

The gilts market paid little further heed to sterling's continued early firmness, quotations of both short and long maturities hovering either side of the overnight levels. After the official close, however, the exchange rate's nervous reaction to revived uncertainty over North Sea oil prices affected sentiment and gilts went lower. Applications for the new medium tap were allotted in full at the minimum tender price of 96.

Burmah Oil responded to preliminary results at the top of the range of market estimates and touched 173p before settling 4p up at 168p. Other oil shares traded on a steady to firm note until late dealings when conditions became unsettled by a report that buyers for North Sea Brent oil on the European spot market had cut their bid prices by up to 45 cents a barrel. BP at 364p and Shell at 504p both ended 4p lower, while Lasmo finished 7p off at 273p and Ultramar 5p cheaper at 575p. Oil Inspection Services improved 5p to 235p on favourable figures.

After opening a couple of pence easier at 414p, ICI attracted further sizeable buying and touched 422p before closing a net 4p up at 420p. Laporte hardened 3p more to 296p ahead of annual results due next Thursday.

A withdrawal of recent heavy South African buying coupled with a downturn in the bullion price prompted a sharp mark-down of gold share prices at the outset. The market then held relatively steady before edging off the day's lowest levels towards the close following the emergence of modest Johannesburg support.

*Share information services, Pages 38–39*

## AUSTRALIA

# Industrials rise

INDUSTRIALS became the focus of Sydney attention as the sector caught up with recent gains among resources, where some profit-taking developed yesterday.

The industrials index advanced 12.1 to 699.0, the main contributor to an 8.1 rise in the All Ordinaries marker to 561.9, on heavy turnover worth some A$23.43m.

Australian National Industries improved 15 cents to A$2.40, National Australian Bank 12 cents to A$2.72 and Elders IXL 10 cents to A$3.10.

An erosion of many Melbourne gains set in by the close.

## SOUTH AFRICA

# Golds duller

BUYING interest held up well for Johannesburg golds despite a pause in the bullion price improvement, but heavyweight producers showed losses of about a rand.

This was true of Durban Deep at R40, while Anglo-American was unchanged at R23.25 and De Beers eased 15 cents to R9.1.

*Industrials managed a three-to-one ratio of gains over declines, and base metals tended firmer.*

## FAR EAST

# Electricals help keep Tokyo bright

MANY INVESTORS jumped back into the Tokyo market yesterday when it became apparent that the high prices of recent days were not retreating. Selective buying of blue chips brought the Nikkei-Dow market average 11.81 higher at 8,480.44, just below last week's record high.

Gains were recorded in most areas with turnover at 500m shares compared with Tuesday's 360m.

Particular interest centred on electricals involved in video tape recorder production, office automation and other electronic machinery. Steels were also in good demand, with Nippon Steel adding Y6 to Y172.

Fujitsu gained Y20 to Y896, Hitachi Y8 to Y770, Kawasaki Heavy Industries Y7 to Y157, Mitsubishi Chemical Y14 to Y263, Sumito Chemical Y6 to Y178 and Takeda Y22 to Y610, but Sony lost Y50 to Y3,490 on a poor profits forecast for 1982.

Mr Haruo Mayekawa, the Bank of Japan governor, expressed the cautious view that the country's economic downturn had bottomed out. He specifically referred to a halt in the decline of Japan's exports, improved inventory adjustments and the decline in oil prices.

Hong Kong experienced dull trading but sufficient to move the Hang Seng index ahead by 4.04 to 1,056.44. Some profit-taking occurred as participants waited for a sign of the market's direction.

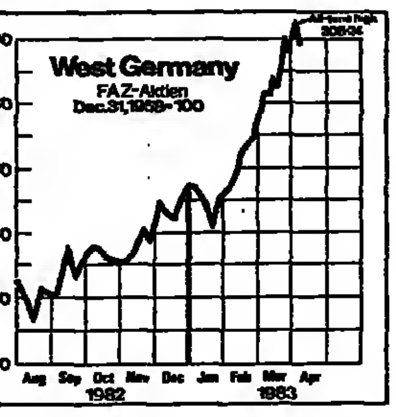
Trading resumed in Trafalgar Housing after Monday's suspension, and the group's decision to rescind final dividends translated into a price plunge to 67 cents from its last quoted HK$1.04.

Strong buying of Hongkong Bank added 15 cents to HK$9.60

Almost every sector of the Singapore market moved lower in moderate trading. The Straits Times index dropped 3.75 to 669.21 on share volume of 15.4m compared with the previous day's 20.7m.

OCBC was 20 cents lower at S$11.80, while most other banks fell about five cents. UOB, the most heavily traded stock of the session, eased two cents to S$4.68. City Developments, also very active, fell the same amount to S$2.51 despite its optimistic evaluation of the property market for 1983.

Hectic trading in Taipei sent the market to a 4½-year high as the stock index soared 19.44 to 657.35. A government decision to form a stock market trust company to handle foreign investment and to relax foreign exchange controls was the source of inspiration for local and Hong Kong investors, according to one broker.




## EUROPE

# Belgian rate cut provides muted help

A ONE-POINT cut in the Belgian discount rate to 10 per cent impressed some investors in Brussels yesterday, but the expected euphoria failed to materialise as the European bourses generally adjudged further buying campaigns not yet justified.

Petrofina opened BFr 70 higher but closed unchanged at BFr 5,500. Kredietbank lost BFr 100 to BFr 5,400 and Gevaert slipped BFr 10 to BFr 2,190.

Stocks taking the good news to heart were Arbed, up BFr 10 to BFr 1,130; Fabrique National, BFr 80 higher at BFr 2,630; and Bekaert, BFr 50 ahead at BFr 2,700.

The recent aggressive trading in Amsterdam ended yesterday with stocks broadly lower, the general index 1 point off at 130 and declines outnumbering advances by 133 to 42. Profit-taking was in evidence in small internationals such as Heineken, down Fl 6.3 at Fl 141, and Océ-Van der Grinten, Fl 3 lower at Fl 186. Elsevier dropped Fl 7 to Fl 310 and Ennia lost Fl 2 to Fl 146.

ABN declined Fl 7 to Fl 380 and NMB slipped Fl 4.5 to Fl 155. Bonds were off about 20 basis points, giving an average government bond yield of 7.91 per cent.

Frankfurt saw further losses on most stocks again in moderate trading yesterday, leaving the Commerzbank index 14.2 lower at 896.5 and its FAZ counterpart off 3.76 at 298.74. Some blue chips regained their composure but profit-taking digested some of the sharp gains made since the March 6 election. The biggest loser of the day was PKI, DM 11 lower at DM 309.

Chemicals, stores, energy and utilities were down with banks and vehicle manufacturers mixed to lower.

Domestic bonds, with buyers waiting in the wings, finished 35 pfg lower on public issues. The Bundesbank bought up DM 11.6m worth of public paper against DM 0.5m the previous day.

A strong late rally in Milan erased some early lows. Banks were generally weaker, with Banca Commerciale L250 off at L31,700 while Credito Italiano shed L40 to L3,855, Mediobanca lost L250 to L65,650, but Interbanca was unchanged at L22,360.

The long rally in Paris stalled yesterday with prices mixed in moderate trading in the face of sustained profit taking. Banks gained ground while engineering, hotel and chemical issues were weak.

Creusot-Loire shed FFr 2 to FFr 52.50 after a parent company loss of FFr 465m in 1982 against a FFr 41m profit the previous year. Peugeot fell FFr 2.6 to FFr 169.2.

Profit-taking also hit Stockholm in moderate trading. Asea gained SKr 45 to SKr 355, Cardo fell SKr 25 to SKr 635, and Fortia shed SKr 10 to SKr 485.

Zurich was barely steady in fairly active trading with no new factors affecting the market, according to dealers.

In Madrid Telefonica again led the rise Pta 4 up at Pta 76.5 with strong gains noted in electricals.

# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES



Continued on Page 35

# AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 36

# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 34

W–W–W

| 12 Month High | Low | Stock | Div. | Yld. | P/E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| 20⅞ | 15⅛ | WICOR | 2.14 | 11 | 18 | 23 | 20⅝ | 26 | 20⅛ | −⅛ |
| 40½ | 35½ | WabR | pf4.50 | 12 | | z20 | 39 | 39 | 39 | −1 |
| 39⅛ | 23 | Wachov | 1.40 | 3.6 | 10 | 279 | 39⅛ | 39¼ | 38⅞ | −⅛ |
| 29½ | 12⅞ | Wackht | .44b | 1.9 | 16 | 176 | 28⅝ | 28 | 28⅛ | |

Continued on Page 36

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

# WORLD STOCK MARKETS

## CANADA

## DENMARK

## NETHERLANDS

## AUSTRALIA

## JAPAN (continued)

## FRANCE

## NORWAY

## HONG KONG

## SPAIN

## GERMANY

## SWEDEN

## SINGAPORE

## AUSTRIA

## SOUTH AFRICA

## SWITZERLAND

## BELGIUM/LUXEMBOURG

## ITALY

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

## LONDON

### ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

| Stock | Closing price | Day's change |
|---|---|---|
| Arlen Elec | 275 | +18 |
| Burmah Oil | 168 | + 4 |
| De Beers Defd | 540 | − 9 |
| ICI | 420 | + 4 |
| Lex Service | 288 | +18 |
| Mid-East Minerals | 32 | + 8 |
| NEI | 104 | + 8 |
| Pearl Assurance | 625 | +30 |
| Pearson (S.) | 294 | +14 |
| Tate & Lyle | 298 | +10 |
| Trident TV A | 90 | − 8 |
| Whatman Reeve Angel | 635 | +25 |

### TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

| Stock | No. of changes | Tues. close | Day's change |
|---|---|---|---|
| Glaxo | 21 | 835 | +25 |
| ICI | 21 | 416 | +12 |
| Lon & Liv Tst | 19 | 396 | − 4 |
| GKN | 18 | 162 | −16 |
| De Beers Dfd. | 16 | 549 | + 9 |
| Johnston Grp | 10 | 330 | +30 |
| Nwmrkt Ce '81 | 14 | 574 | +18 |
| BAT Inds | 13 | 685 | −20 |
| Plessey | 13 | 589 | +19 |
| BBR New | 12 | 45pm | − 3 |
| GEC | 12 | 228 | +10 |
| NEI | 12 | 96 | + 3½ |
| Com Union | 11 | 146 | — |
| Sotheby's | 11 | 530 | + 5 |

### NEW HIGHS AND LOWS FOR 1983

**NEW HIGHS (181)**

AMERICANS (8)
CANADIANS (1)
BANKS (6)
BREWERS (2)
BUILDINGS (5)
CHEMICALS (5)
DRAPERY & STORES (8)
ELECTRICALS (14)
ENGINEERING (7)
FOODS (5)
INDUSTRIALS (32)
INSURANCE (7)
LEISURE (1)
MOTORS (6)
NEWSPAPERS (7)
PAPER (4)
PROPERTY (7)
SHOES (1)
TEXTILES (2)
TRUSTS (34)
OIL & GAS (13)
OVERSEAS TRADERS (3)
PLANTATIONS (1)
MINES (2)

**NEW LOWS (16)**

BRITISH FUNDS (1)
Exchqr. 2½pc 1987
AMERICANS (1)
C.P.C.
BEERS (2)
Invergordon Beddie (G.)
BUILDINGS (1)
AMEC
ELECTRICALS (1)
Cont. Microwave
FOODS (1)
Chambers & Fargus
INDUSTRIALS (2)
Equipu Office & Electronic
PROPERTY (1)
Daon Dev.
TRUSTS (2)
Channel Is. Inc. Authority Inv.
OIL & GAS (3)
Dorset Res. Lon. Am. En'gy Invs.
Lon. Am. En'gy N-V
MINES (1)
Northgate

### OPTIONS

| First Deal-ings | Last Deal-ings | Last Declara-tion | For Settle-ment |
|---|---|---|---|
| Mar 28 | Apr 15 | June 30 | July 11 |
| Apr 18 | Apr 29 | July 14 | July 25 |
| May 3 | May 13 | July 28 | Aug 8 |

*For rate indications see end of Share Information Service*

Stocks to attract money for the call included Walter Runciman, Whittington Estates, Eastern Petroleum, Burmah Oil, Polly Peck, Dares Estates, Pleasurama, Suter Electrical, J. Hepworth, United Guarantee, UKO International, First National Finance, Vickers and Thomas Tilling.

## FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

| | EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section | Wed April 13 1983 Index No. | Day's Change % | Est. Earnings Yield % (Max.) | Gross Div. Yield % (ACT at 30%) | Est. P/E Ratio (Net) | Tues April 12 Index No. | Mon April 11 Index No. | Fri April 8 Index No. | Thur April 7 Index No. | Year ago (approx.) Index No. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (206) | 472.81 | — | 8.29 | 3.64 | 15.22 | 472.85 | 465.62 | 459.58 | 456.81 | 358.84 |
| 2 | Building Materials (23) | 444.68 | +0.3 | 9.39 | 4.34 | 12.93 | 443.26 | 440.97 | 438.88 | 442.15 | 338.59 |
| 3 | Contracting, Construction (30) | 797.28 | +0.1 | 11.21 | 4.22 | 10.72 | 796.58 | 792.75 | 789.43 | 792.44 | 583.93 |
| 4 | Electricals (33) | 1774.07 | −0.4 | 6.73 | 1.96 | 19.13 | 1780.86 | 1725.82 | 1689.61 | 1656.41 | 1260.80 |
| 5 | Engineering, Contractors (10) | 492.16 | +2.7 | 14.62 | 6.08 | 8.40 | 479.16 | 474.53 | 464.86 | 464.86 | 487.28 |
| 6 | Mechanical Engineering (64) | 219.23 | −0.3 | 10.79 | 5.25 | 11.51 | 219.82 | 218.80 | 217.31 | 218.64 | 208.72 |
| 8 | Metals and Metal Forming (11) | 180.62 | −0.6 | 10.53 | 6.35 | 11.58 | 181.63 | 185.36 | 186.67 | 187.60 | 157.96 |
| 9 | Motors (18) | 102.12 | +2.7 | 0.40 | 6.13 | — | 99.41 | 98.29 | 97.85 | 96.91 | 93.32 |
| 10 | Other Industrial Materials (17) | 449.83 | +0.4 | 7.19 | 4.98 | 18.49 | 447.95 | 447.22 | 444.15 | 440.47 | 366.41 |
| 21 | CONSUMER GROUP (201) | 435.06 | −0.3 | 9.82 | 4.16 | 12.36 | 436.44 | 432.29 | 429.56 | 428.46 | 294.57 |
| 22 | Brewers and Distillers (25) | 458.43 | −0.1 | 11.06 | 4.67 | 11.02 | 459.08 | 457.62 | 453.79 | 449.54 | 295.68 |
| 25 | Food Manufacturing (21) | 347.99 | −0.2 | 13.37 | 5.50 | 8.74 | 348.58 | 344.57 | 343.45 | 343.81 | 260.92 |
| 26 | Food Retailing (14) | 881.52 | +0.4 | 7.23 | 2.76 | 17.40 | 877.72 | 864.69 | 860.43 | 843.49 | 594.34 |
| 27 | Health and Household Products (8) | 824.62 | −0.4 | 5.19 | 2.28 | 22.88 | 827.98 | 811.31 | 826.94 | 816.42 | 483.58 |
| 29 | Leisure (24) | 543.60 | −0.2 | 7.28 | 4.42 | 17.99 | 544.91 | 541.75 | 536.63 | 531.46 | 448.85 |
| 32 | Newspapers, Publishing (14) | 811.09 | +1.0 | 7.75 | 4.01 | 16.94 | 802.71 | 798.89 | 790.99 | 787.91 | 531.73 |
| 33 | Packaging and Paper (14) | 163.14 | −0.2 | 12.55 | 6.14 | 9.38 | 163.52 | 161.84 | 160.75 | 159.38 | 143.48 |
| 34 | Stores (48) | 383.12 | −1.1 | 7.85 | 3.59 | 16.92 | 387.30 | 388.99 | 373.99 | 374.12 | 260.14 |
| 35 | Textiles (22) | 208.58 | −0.2 | 12.27 | 5.36 | 9.77 | 208.93 | 206.80 | 202.82 | 202.28 | 178.81 |
| 36 | Tobaccos (3) | 463.90 | +0.3 | 20.57 | 6.66 | 5.44 | 462.73 | 474.02 | 474.72 | 488.49 | 307.47 |
| 39 | Other Consumer (10) | 383.29 | +0.5 | 6.60 | 9.81 | — | 381.55 | 378.99 | 373.46 | 374.24 | 238.24 |
| 41 | OTHER GROUPS (79) | 342.13 | +0.4 | 8.89 | 4.76 | 13.84 | 340.61 | 336.08 | 332.45 | 333.04 | 238.74 |
| 42 | Chemicals (15) | 451.74 | +0.5 | 8.81 | 5.32 | 14.15 | 449.56 | 441.01 | 435.18 | 434.92 | 329.82 |
| 44 | Office Equipment (6) | 109.07 | +1.2 | 8.08 | 4.94 | 15.92 | 107.80 | 104.41 | 103.13 | 103.48 | 101.28 |
| 45 | Shipping and Transport (14) | 663.46 | −0.5 | 11.40 | 6.12 | 10.63 | 666.37 | 657.91 | 649.98 | 649.63 | 580.37 |
| 46 | Miscellaneous (44) | 473.55 | +0.6 | 8.46 | 3.91 | 14.36 | 470.95 | 468.16 | 464.41 | 464.41 | 319.28 |
| 49 | INDUSTRIAL GROUP (486) | 436.41 | −0.1 | 9.17 | 4.06 | 13.42 | 436.88 | 431.64 | 427.68 | 426.33 | 331.57 |
| 51 | Oils (14) | 851.56 | −1.0 | 12.89 | 6.87 | 9.45 | 859.81 | 850.52 | 824.42 | 820.58 | 691.22 |
| 59 | 500 SHARE INDEX | 470.99 | −0.2 | 9.75 | 4.58 | 12.60 | 472.13 | 466.55 | 460.70 | 459.14 | 362.58 |
| 61 | FINANCIAL GROUP (121) | 320.06 | +0.1 | — | 5.74 | — | 319.75 | 314.33 | 310.99 | 309.86 | 249.12 |
| 62 | Banks (6) | 330.92 | −0.5 | 27.34 | 7.44 | 4.03 | 332.71 | 326.92 | 320.41 | 319.14 | 264.32 |
| 63 | Discount Houses (8) | 313.38 | −0.3 | — | 7.79 | — | 314.18 | 309.30 | 302.65 | 302.54 | 221.53 |
| 65 | Insurance (Life) (9) | 402.52 | +1.0 | — | 5.24 | — | 398.42 | 389.25 | 391.93 | 394.28 | 265.82 |
| 66 | Insurance (Composite) (10) | 213.60 | +0.5 | — | 7.03 | — | 212.58 | 209.28 | 205.08 | 203.75 | 156.89 |
| 67 | Insurance Brokers (7) | 629.68 | −0.3 | 10.46 | 4.68 | 13.03 | 631.47 | 626.90 | 616.29 | 616.18 | 476.98 |
| 68 | Merchant Banks (13) | 171.14 | +0.5 | — | 5.08 | — | 170.22 | 167.59 | 166.07 | 165.38 | 140.46 |
| 69 | Property (54) | 478.99 | — | 5.42 | 3.66 | 24.40 | 478.92 | 470.29 | 467.28 | 463.27 | 432.36 |
| 70 | Other Financial (34) | 252.17 | −0.4 | 11.49 | 5.07 | 10.44 | 253.25 | 249.96 | 250.70 | 250.36 | 172.88 |
| 71 | Investment Trusts (109) | 422.53 | +0.1 | — | 4.04 | — | 421.93 | 417.16 | 413.51 | 412.91 | 289.56 |
| 81 | Mining Finance (4) | 268.76 | +0.2 | 6.77 | 5.28 | 20.61 | 268.21 | 265.88 | 260.48 | 268.65 | 247.48 |
| 91 | Overseas Traders (16) | 447.11 | +0.5 | 9.23 | 8.13 | 15.38 | 445.07 | 440.21 | 435.11 | 432.86 | 370.78 |
| 99 | ALL-SHARE INDEX (750) | 433.02 | −0.1 | — | 4.73 | — | 433.66 | 428.22 | 423.01 | 421.64 | 328.56 |

### FIXED INTEREST

| | PRICE INDICES | Wed April 13 | Day's change % | Tues April 12 | xd adj. today | xd adj. 1983 to date |
|---|---|---|---|---|---|---|
| | British Government | | | | | |
| 1 | 5 years | 117.64 | −0.03 | 117.68 | — | 2.96 |
| 2 | 5-15 years | 130.13 | −0.16 | 130.33 | — | 4.47 |
| 3 | Over 15 years | 141.78 | −0.21 | 142.86 | 0.78 | 3.49 |
| 4 | Irredeemables | 152.88 | −0.71 | 153.98 | — | 1.62 |
| 5 | All Stocks | 129.68 | −0.15 | 130.01 | 0.21 | 5.70 |
| 6 | Debentures and Loans | 104.12 | +0.07 | 104.05 | — | 9.03 |
| 7 | Preference | 80.05 | +0.16 | 79.92 | — | 2.51 |

| | AVERAGE GROSS REDEMPTION YIELDS | | Wed April 13 | Tues April 12 | Year ago (approx.) |
|---|---|---|---|---|---|
| | British Government | | | | |
| 1 | Low | 5 years | 9.24 | 9.22 | 12.25 |
| 2 | Coupons | 15 years | 10.01 | 9.97 | 13.06 |
| 3 | | 25 years | 9.84 | 9.78 | 13.06 |
| 4 | Medium | 5 years | 11.22 | 11.18 | 14.47 |
| 5 | Coupons | 15 years | 10.76 | 10.72 | 14.20 |
| 6 | | 25 years | 10.16 | 10.12 | 13.75 |
| 7 | High | 5 years | 11.29 | 11.26 | 14.33 |
| 8 | Coupons | 15 years | 10.96 | 10.93 | 14.35 |
| 9 | | 25 years | 10.30 | 10.27 | 13.94 |
| 10 | Irredeemables† | | 9.77 | 9.69 | 12.94 |
| 11 | Debs & Loans | 5 years | 12.02 | 12.03 | 15.30 |
| 12 | | 15 years | 12.02 | 12.03 | 15.08 |
| 13 | | 25 years | 12.02 | 12.03 | 15.02 |
| 14 | Preference† | | 12.27 | 12.29 | 15.47 |

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

### RISES AND FALLS

| | Rises | Falls | Same |
|---|---|---|---|
| British Funds | 2 | 72 | 25 |
| Corpns. Dom. & Foreign Bonds | 9 | 3 | 73 |
| Industrials | 323 | 203 | 806 |
| Financial & Props. | 143 | 87 | 290 |
| Oils | 26 | 33 | 01 |
| Plantations | 3 | 0 | 14 |
| Mines | 20 | 88 | 84 |
| Others | 47 | 64 | 59 |
| Totals | 567 | 536 | 1,382 |

### FINANCIAL TIMES STOCK INDICES

| | April 13 | April 12 | April 11 | April 8 | April 7 | April 6 | year ago |
|---|---|---|---|---|---|---|---|
| Government Secs. | 82.24 | 82.49 | 82.75 | 81.90 | 81.61 | 82.03 | 66.90 |
| Fixed Interest | 84.26 | 84.23 | 84.25 | 83.78 | 83.47 | 83.41 | 67.53 |
| Industrial Ord. | 687.1 | 687.7 | 685.9 | 675.0 | 672.2 | 663.9 | 564.4 |
| Gold Mines | 622.3 | 635.9 | 618.0 | 598.7 | 608.6 | 590.5 | 267.2 |
| Ord. Div. Yield | 4.64 | 4.64 | 4.68 | 4.66 | 4.68 | 4.74 | 5.64 |
| Earnings, Yld.% (full) | 9.40 | 9.39 | 9.43 | 9.48 | 9.51 | 8.98 | 11.28 |
| P/E Ratio (net) (*) | 12.93 | 12.96 | 12.90 | 12.84 | 12.80 | 12.18 | 11.09 |
| Total bargains | 23,274 | 24,304 | 26,301 | 27,745 | 27,336 | 27,805 | 14,005 |
| Equity turnover £m. | — | 254.76 | 211.18 | 302.94 | 357.0 | 264.37 | 84.02 |
| Equity bargains | — | 23,942 | 21,667 | 24,459 | 23,963 | 24,086 | 2,281 |
| Shares traded (ml) | — | 177.1 | 147.7 | 205.0 | 238.2 | 174.6 | 73.3 |

10 am 685.0. 11 am 684.7. Noon 687.1. 1 pm 686.8.
2 pm 686.8. 3 pm 686.6.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/58. SE Activity 1974.

†Correction.
Nil = 12.06.
Latest Index 01-246 8026.

### HIGHS AND LOWS

| | 1983 High | 1983 Low | Since Compilat'n High | Since Compilat'n Low |
|---|---|---|---|---|
| Govt. Secs. | 82.75 (11/4) | 77.00 (24/1) | 127.4 (9/1/35) | 48.18 (3/1/75) |
| Fixed Int. | 84.20 (18/4) | 79.03 (1/2) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 687.7 (12/4) | 598.4 (12/1) | 687.7 (12/4/83) | 49.4 (26/6/40) |
| Gold Mines | 734.7 (15/2) | 661.6 (28/3) | 734.7 (15/2/83) | 43.5 (26/10/71) |

### S.E. ACTIVITY

| | April 12 | April 11 |
|---|---|---|
| —Daily Gilt Edged Bargains | 165.1 | 196.1 |
| Equities Bargains | 156.1 | 140.4 |
| Value | 514.9 | 426.8 |
| 5-day Avrge Gilt-Edged Bargains | 186.1 | 192.2 |
| Equities Bargains | 166.1 | 167.2 |
| Value | 562.0 | 521.6 |

## NEW YORK AND CANADA

### Indices

**NEW YORK** — DOW JONES

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

# AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 35

# NEW YORK CLOSING PRICES

Continued from Page 35

# COMMODITIES AND AGRICULTURE

## Cotton crop estimate increased

WORLD COTTON production in the 1982-83 crop year is likely to be slightly higher than estimated a month ago, with lower exports and usage, according to the U.S. Department of Agriculture forecasts. This points to higher stocks of cotton, it adds.

The report attributed most of the fall in world demand to a mark-down in projected Chinese imports and consumption. However, an economic recovery world-wide could boost 1983-84 demand. The U.S. yield for 1983-84 was put at 9.2m bales, against the 12m bales estimated for the current crop year.

● CHINESE RICE planting in the south-east region of the country was delayed in the week ending April 9 by frequent periods of heavy rain according to the joint agricultural weather facility of the U.S. Departments of Agriculture and Commerce in Washington.

● IMPORTS OF CORN gluten feed by the European Community reached an estimated 830,000 tonnes in January-March 1983, almost two-thirds up from the first quarter a year ago, the Hamburg-based weekly "Oil World" states.

● ARGENTINA'S SORGHUM crop in 1982-83 is estimated at 7.91m tonnes, against 8m tonnes last year and averages for the past five years of 6.88m tonnes, the Agriculture Department in Buenos Aires said in its first estimate.

● CLOUD SEEDING in Israel in the winter season added 15-16 per cent to its rainfall, measured not by the amount of precipitation but by its duration, according to the Israel water company Mokorot.

● A GROUNDNUT SHORTAGE of 60,500 tonnes for export is forecast for the 1982-83 season by Dutch trader Man-Producten of Rotterdam. The shortage will involve the hand-picked and selected grades only. The company forecasts world exportable production of HPS groundnuts at 433,000 tonnes on a shelled basis against demand of 493,500 tonnes.

## London sugar prices retreat

BY OUR COMMODITIES STAFF

A SHARP FALL in world sugar prices on the London futures market yesterday was attributed chiefly to the continued strength of sterling helped by profit-taking following the recent rise. The August futures quotation, which began this month at more than £132 a tonne, fell £3.975 yesterday to close the day at £126.15 a tonne. In the morning, the London daily raw sugar price was fixed £2 down at £107 a tonne.

Traders said the result of yesterday's weekly EEC export tender in Brussels had little market impact. After being way out in their forecasts of export allotments in recent weeks, while authorisations have been varying wildly, most traders declined yesterday to guess the tender result. Those who did, thought the total allotment of licences would not exceed 30,000 tonnes, compared with 9,750 tonnes last week.

This proved too conservative with the total reaching 44,500 tonnes, back to the level ruling before last month's European Monetary System realignment unsettled the tender system.

In Mexico City, meanwhile the 21 members of the Group of Latin American and Caribbean Sugar Exporting Countries (GEPLACEA) continued meeting behind closed doors to reconcile differences on a proposed new International Sugar Agreement (ISA), reports Reuter.

The mechanics of the new agreement are to be hammered out at an Unctad negotiating conference in Geneva next month and GEPLACEA members are hoping to work out a common policy.

Although GEPLACEA as a group accounts for about 32 per cent of world sugar production and 55 per cent of exports, the interests of individual members are as diverse as their production figures.

## U.S. seeks soyabean export protection

BY OUR COMMODITIES EDITOR

A SPECIAL payment-in-kind export programme is being sought by U.S. soyabean producers to hit back at "unfair trading" practices by competing soyabean oil exporters. Mr Ralph Weems, first vice-president of the American Soyabean Association, speaking in London yesterday claimed that unfair subsidies by countries such as Brazil were being used to capture markets previously supplied by the U.S.

As a result, the association has proposed to Congress that surplus stocks of soyabeans held by the U.S. Government should be supplied at cut prices to domestic U.S. crushers so that they could compete effectively against subsidised soyabean oil exports in certain countries, such as India and Pakistan. Mr Weems stressed it would be only a temporary programme, of limited scope.

Mr Weems noted that soyabeans had not been included in the domestic PIK programme, since there was not a burdensome surplus. Carryover stocks at the end of the season were estimated at only 66 days' supply, compared with 296 days for cotton, 121 for wheat and 169 for maize (corn). Government-controlled stocks of soyabeans would have been insufficient.

Soyabean plantings in the U.S. are expected to be cut back from about 72m to 66m acres

## German use of cocoa encouraging

By John Edwards, Commodities Editor

WEST GERMAN cocoa grindings rose by 1.2 per cent to 45,681 tonnes in the first quarter of 1983, the Confectionery Industry Association announced in Hamburg yesterday.

The rise surprised market dealers, who had been predicting an unchanged to slightly lower grindings figure because of a drop in West German chocolate production in the first two months of the year. Last year, West German grindings—a measure of consumption—rose by 4.8 per cent to 167,043 tonnes. But reduced bean imports, and build up in cocoa butter stocks, is expected to hit grindings later this year.

The West German grindings figure for the first quarter was considered encouraging and prices moved up on the London and U.S. futures markets. In London, the July position closed £19 higher at £1,225.5 a tonne.

However, the U.S. grindings figure, due out tomorrow, and the UK grindings, also due out soon, are considered to be of more significance in indicating the trend in consumption. Cocoa dealers Gill and Duffus in their latest market report last week reduced the predicted deficit in supply for the 1982-83 season from 78,000 to 54,000 tonnes, mainly because of a disappointing trend in demand.

The company claimed that cocoa consumption had failed to respond sufficiently to the low level of prices, depressed by the massive surplus stocks built up over the previous five seasons.

In Paris Mr Denis Bra Kanon, the Ivory Coast Agriculture Minister, said his country's 1982-1983 cocoa crop had suffered very large losses and would be less than the 385,000 tonnes estimated last week by Gill and Duffus, reports Reuter.

Cocoa output had been hit harder by drought and bush fires than the coffee crop, he said, although he declined to give a figure for the 1982-83 cocoa harvest. Output in 1981-82 was 456,000 tonnes.

## Paying for natural disasters

**Canute James** looks at efforts to restore Caribbean banana output

PLANS TO increase banana production in the Commonwealth Caribbean, announced recently, are at the centre of efforts to increase shipments to the UK. In better times, the islands of the region accounted for up to 60 per cent of British imports. Now they are struggling to grow fruit to cover a fraction of this.

The major exporters—the Windward Islands (Dominica, St. Lucia, St. Vincent and Grenada) and Jamaica—last last year shipped 127,000 tonnes of bananas. In 1978 their exports totalled over 200,000 tonnes.

Between then and now, banana production has fallen victim to a combination of setbacks, including drought, hurricanes and crop diseases. With the fall in production, there has been growing concern in the region at the extent to which British importers have turned to dollar area fruit, mostly from Latin America, to fill the shortfall. Britain imports between 300,000 and 320,000 tonnes of bananas yearly.

According to Dr Percival Broderick, Jamaica's Minister of Agriculture, the island has a potential market of 150,000 tonnes a year in Britain. Yet Jamaica has been shipping only about half this tonnage since the 1970s. A hurricane, in the summer of 1980, destroyed about 90 per cent of the island's banana farms and exports that year fell to 33,000 tonnes from 69,000 tonnes the year before. A re-planting programme failed to meet the schedule intended to halt falling production, and shipments were only 17,000 tonnes in 1981.

Last year there was a marginal improvement with exports at 20,000 tonnes, and there are hopes in the industry that this year's target of 30,000 tonnes will be achieved.

At the core of efforts to rebuild exports to Britain is a $30m (£19.7m) project financed by the Jamaican Government, the Commonwealth Development Corporation and the United Brands company.

United Brands is managing a new company which is planting an additional 2,000 acres of bananas, with the aim of achieving a yield of 15 tonnes an acre, a figure which is high for Jamaica where the industry has been hampered by low yields.

Exports from this new project should start in the middle of next year, and added to production from farms now being re-planted, the industry hopes to ship about 110,000 tonnes a year to Britain from 1985.

The industry has also suffered in the Windward Islands, but not as severely. Recovery has been more rapid. Exports to Britain from the four islands fell from 132,000 tonnes in 1978 to 66,000 tonnes in 1980—the year the hurricanes struck. The recovery has been commendable, with shipments last year reaching 107,000 tonnes.

Efforts to increase fruit production for export are being aided by a $3.1m loan from the regional Caribbean Development Bank to Winban—an umbrella body which brings together producer organisations in the four islands. The funds are being used to improve supplies of fertilisers and storage facilities.

After some hesitation farmers in Dominica have given the green light to the Government to use $1.7m loaned by the U.S. Agency for International Development to finance the industry. In Grenada, a $7.4m loan from the Canadian Government to improve cocoa farms will also benefit bananas: banana plants provide shade and protection for cocoa trees.

While there is widespread concern about the market foothold in the UK, Commonwealth Caribbean exporters are favoured by preferential access to Britain. The region's bananas enjoy duty-free access, which Latin American produce does not.

Mr J. M. Burlton, marketing director for Fyffes, which handles Windward Islands bananas, has said that Caribbean bananas could not survive on the British market if they were to lose their preferential status. Their competitive position would become very much worse, Mr Burlton said recently. "They might be run out of the market, not immediately, but over a period of time."

In the middle of the battle to rebuild shipments to Britain and buttress their weak economies, the Caribbean banana exporters are having to make contingency plans to deal with a potentially deadly foe. The Black Sigatoka fungus, which has destroyed thousands of acres of fruit in Central America, has been spotted in Martinique. From there it could hop from island to island across the Caribbean, destroying plantations.

## Japanese smelters cut copper production

TOKYO — Japanese copper smelters have reduced production and increased exports in the face of falling domestic demand, industry sources said, reports Reuter.

Their action is starting to bring the domestic demand and supply positions more into balance. But there is still no sign of a demand revival, they add. Meanwhile, some smelters have been buying low-priced supplies entering the domestic market to maintain prices.

At the end of 1982 copper stocks at major Japanese smelters rose slightly above 60,000 tonnes, but output reductions and increased export activity recently brought this down towards 50,000 tonnes.

The stocks position has been helped by improved exports in recent months, especially better-than-expected shipments to China.

Sources at Nippon Mining estimate shipments to China between end-June 1982 and end-March 1983 were 38,000 tonnes and expect another 14,000 tonnes to be shipped between the beginning of this month and end-June 1983.

Meanwhile U.S. copper stocks at end-January rose with mined production ahead of December and below a year earlier, according to the U.S. Bureau of Mines.

End-January U.S. refined copper stocks were 285,000 tonnes, up from 268,000 in December and 160,000 a year ago, the report said.

In New York, five U.S. domestic copper producers have opened labour negotiations ahead of mid-year contract expirations, a union official said.

Union representatives met earlier this week with Anaconda Minerals Company, according to a spokesman for the United Steelworkers of America and several other copper unions. He said talks also began in recent weeks with Copper Range Company and the U.S. metals refinery unit of Amax Copper. Kennecott and Magma Copper Company opened labour talks late last month.

## Grain growers urged to act

ROME.—Grain surpluses in the advanced producer countries might be used to help developing nations build up their reserves against future shortages, Mr Edward Saduma, director-general of the Food and Agriculture Organisation (FAO) said yesterday. He told government delegates that 40m people, half of them children, died every year from hunger and malnutrition.

"How can we reconcile in our conscience the existence of growing hunger with our failure to put otherwise embarrassing surpluses to humanitarian use?" he asked.

Reuter

## PRICE CHANGES

| In tonnes unless stated otherwise | Apr. 13 1983 | + or — | Month ago |
|---|---|---|---|
| Metals | | | |
| Aluminium | £880 | | £810/816 |
| Free Mkt. | $1545/1575 | | $1285/295 |

PRODUCTS—North West Europe CIF ($ per tonne)

| | | |
|---|---|---|
| Premium gasoline | 304-312 | +1.0 |
| Gas oil | 253-250 | +0.5 |
| Heavy fuel oil | 164-167 | — |

## LONDON OIL SPOT PRICES

## GAS OIL FUTURES

| | | | |
|---|---|---|---|
| Oct. | 250.60 | -2.20 | 252.75-48.50 |
| Nov. | 254.00 | -1.00 | 254.50-51.50 |
| Dec | 256.00 | +1.58 | — |

Turnover: 8,049 (3,922) lots of 100 tonnes.

## GOLD MARKETS

Gold fell $2¾ to $429-430 in very quiet London bullion trading. It opened at $429½-430½, the high of the day, and fell to $428-429 at one time. The metal was fixed at $431½-432½ in the morning and $432¾ in the afternoon.

In Paris the 12½ kilo gold bar was fixed at FFr 100,650 per kilo ($430.13 per ounce) in the afternoon, compared with FFr 100,650 ($430.75) in the morning and FFr 101,700 ($435.52) Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 33,510 per kilo ($430 per ounce), against DM 33,800 ($434), and closed at $428½-429½, compared with $432½-433½.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $429.50 per ounce, against $433.25 previously.

In Zurich gold finished at $428-431, compared with $432-435.

### LONDON FUTURES

| Month | Yest'rday's close | + or — | Business Done |
|---|---|---|---|
| | $ per troy ounce | | |
| April | 429.50-30.5 | -2.350 | 430.20-29.0 |
| May | 431.50-33.0 | -2.250 | — |
| June | 435.00-35.4 | -2.500 | 435.40-33.5 |
| July | 438.00-39.0 | -2.600 | — |
| August | 441.70-42.5 | -2.350 | 441.00 |
| Sept | 444.50-46.0 | -2.150 | — |
| Oct | 447.50-48.T | -2.700 | — |

Turnover: 342 (729) lots of 100 troy ounces.

| | April 13 | | April 12 | |
|---|---|---|---|---|
| Gold Bullion (fine ounce) | | | | |
| Close | $429-430 | (£278½-279¼) | $431¾-432¾ | (£281-281¾) |
| Opening | $429½-430½ | (£279-279¼) | $432½-433½ | (£281½-282¼) |
| Morning fixing | $428.75 | (£278.012) | $433.25 | (£282.516) |
| Afternoon fixing | $429.20 | (£277.975) | $432.75 | (£281.977) |

Gold Coins Apr. 13

| | | | | | |
|---|---|---|---|---|---|
| Krugrnd | $442½-443½ | (£286-286½) | King Sov | $105½-107 | (£68¼-69½) |
| ½ Krg | $230-232 | (£149¾-150½) | Victoria Sov | $105½-107 | (£68½-69½) |
| ¼ Krg | $117½-118½ | (£76½-77¼) | French 20s | $90½-98½ | (£59-60¼) |
| 1/10 Krug | $48-49 | (£31¼-31¾) | 50 pesos Mex | $530-532 | (£345-346½) |
| Mapleleaf | $441-442 | (£287-287¾) | 100 Cor. Aust | $418-422 | (£272½-274½) |
| New Sov | $101¼-103 | (£66-66½) | $20 Eagles | $560-580 | (£364½-377½) |
| ½ New Sov | $60¼-61½ | (£39½-40) | | | |

## EUROPEAN MARKETS

ROTTERDAM, April 13.

Wheat—(U.S. $ per tonne): U.S. No. Two Red Winter April 158, May 159, June 158, July 156, August 158. U.S. No. Three Amber Durum April/May 190.25, May 190.50, June 189, July 187, August 187. U.S. No. Two Northern Spring 14 per cent April 186, May 185, June 182, July 181.50, August [illegible]

Maize—(U.S. $ per tonne): U.S. No. Three Yellow April 147, May 146, June 146.50, July-Sept 144.50, Oct/Dec 137, Jan/March 143 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports April 251, May 252, June 254.75, July 257.50, Aug 260.25, Sept 262.75, Oct 265.25, Nov [illegible]

## BRITISH COMMODITY MARKETS

### BASE METALS

BASE-METAL PRICES lost further ground on the London Metal Exchange. Copper initially dropped to £1,084 reflecting the early strength in sterling but subsequently rallied to close at £1,101 as currencies reversed initial trends. Tin traded quietly after the hectic activity on Tuesday; forward metal extracted support from the buffer stock manager and closed at £9,087.5. Lead and Zinc were finally £307.75 and £461.25 respectively.

### COPPER

| COPPER | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| High Grde | £ | £ | £ | £ |
| Cash | 1066.5-8.5 | -20.2 | 1066.5-7.5 | -16.5 |
| 3 months | 1093.5-4 | -21.5 | 1095-.5 | -17.5 |
| Settlem't | 1066.5 | -20 | — | — |
| Cathodes | | | | |
| Cash | 1046.5-7.5 | -21 | 1046-7 | -16 |
| 3 months | 1073-5 | -20.5 | 1074-5 | -15.7 |
| Settlem't | 1047.8 | -20.5 | — | — |
| U.S. Prod. | — | — | *79-85 | — |

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,065.50, 66, three months £1,089, 90, 91, 92, 93, 94, 93.50, 93, 93.50. Cathodes: Cash £1,045.50. Kerb: Higher Grade: Three months £1,094. [illegible]

### TIN

### LEAD

### ZINC

### ALUMINIUM

### NICKEL

Nickel—Morning: Cash £3,010, 05, three months £3,110, 15, 20, 25, 20, 15, 13, 12, 10, 08, 3,100, 3,095, 80. Kerb: Three months £3,090, £3,100, 10, 20, 30, 20. Afternoon: Cash £3,100, three months £3,120, 25, 30, 35, 75, 70, 75, 80, 85, 90, 3,200, 3,185, 85, 90, 85, 80. Kerb: Three months £3,170, 65, 70, 79, 80, 75, 65, 60, 40, 30. Turnover: 3,134 tonnes.

### SILVER

### COCOA

### COFFEE

### GRAINS

N East 124.80, Scotland 121.20. The UK Monetary coefficient for the week beginning Monday April 18 is expected to change to 0.990.

### POTATOES

April expired at £51.00, in quiet conditions, leaving 52 lots to be tendered. [illegible]

### RUBBER

### SOYABEAN MEAL

### SUGAR

### COTTON

### WOOL FUTURES

May-410, 414, 414-412; August 432, 435, 433-426; Oct. 434, 438, 437-432; Dec. 441, 444, 444-439; Jan. 443, 447, 45-441; March 451, 454, 45-50; May 60, 463, 464-460; August 470, 472, 472-470; Oct. 475, 479, nil. Sales: 160.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business). Australian cents per kg. May 567.0, 570.0, [illegible]

### INDICES

FINANCIAL TIMES

REUTERS

MOODY'S

DOW JONES

### MEAT/FISH

## AMERICAN MARKETS

BECAUSE of the present time difference between the U.S. and Europe, this edition carries American market prices a day late. Normal services will resume on April 26.

### NEW YORK

SUGAR WORLD "11" 112,000 lb. cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 7.03 | 7.20 | 7.02 | 7.18 |
| July | 7.41 | 7.68 | 7.40 | 7.50 |
| Sept | 7.70 | 7.86 | 7.70 | 7.83 |
| Oct | 8.01 | 8.20 | 8.00 | 8.09 |
| March | 8.97 | 9.14 | 8.96 | 9.00 |
| May | 9.27 | 9.45 | 9.27 | 9.31 |

### CHICAGO

# FT LONDON SHARE INFORMATION SERVICE

## BRITISH FUNDS

"Shorts" (Lives up to Five Years)

| 1983 High | Low | Stock | Price £ | + or − | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| 99⅜ | 98⅜ | Treasury 9½pc '83 | 99⅝ | | 9.26 | 9.67 |
| 102⅞ | 100⅞ | Exch. 13½pc '83 | 101⅞ | −⅛ | 13.28 | 10.48 |
| 99⅞ | 98⅞ | Exch. 10pc 1983 | 99⅞ | | 10.01 | 10.11 |
| 97⅝ | 96¼ | Funding 5½pc '82-84‡‡ | 97 | | 5.67 | 9.64 |
| 101¼ | 99½ | Exch. 11¼pc 1984 | 100⅞ | −⅛ | 11.15 | 10.09 |
| 104½ | 102½ | Exchequer 14pc 1984 | 103½ | | 13.53 | 10.56 |
| 94⅝ | 92½ | Exch 3pc 1984 | 94⅝ | −¼ | 3.17 | 7.84 |
| 102⅞ | 100⅝ | Treasury 12pc 1984 | 102¼ | | 11.74 | 10.24 |
| 107⅞ | 105⅝ | Treasury 15pc 1985 | 106⅞ | | 14.03 | 10.75 |
| 107 | 101¼ | Exch. 12pc Cnv. '85 | 104½ | −¼ | 11.48 | 9.37 |
| 90⅝ | 88⅝ | Treasury 3pc 1985 | 90½ | +¼ | 3.31 | 7.99 |
| 102⅞ | 99⅝ | Treasury 11½pc 1985 | 101½ | −⅛ | 11.37 | 10.91 |
| 102 | 95 | Treas 8¼pcCnv '85 | 97½ | −¼ | 9.01 | 10.08 |
| 103⅝ | 100⅞ | Exch. 12¼pc 1985 | 102⅝ | | 11.94 | 11.04 |
| 102½ | 99⅞ | Exch 11½pc '86 | 102⅛ | −⅛ | 11.51 | 10.85 |
| 88½ | 85⅝ | Treasury 3pc 1986 | 86½ | −⅛ | 3.47 | 8.01 |
| 27⅛ | 26 | Exch 10½pc Cv '86(£25pd) | 26⅞ | −¼ | 10.49 | 10.30 |
| 103⅞ | 100⅞ | Treasury 12pc '86 | 102⅝ | −⅛ | 11.69 | 10.97 |
| 97½ | 94⅝ | Treasury 8¾pc '84-86‡‡ | 95⅝ | | 8.91 | 10.20 |
| 112¼ | 103¾ | Treas. 12¼pc '86 Cnv | 111½ | −¼ | 10.96 | 8.06 |
| 109⅞ | 105½ | Exch. 14pc 1986 | 108¾xd | −⅛ | 12.87 | 10.98 |
| 107¼ | 103⅝ | Exch. 13¼pc 1987 | 106¼ | −¼ | 12.41 | 10.99 |
| 84⅞ | 82¼ | Exchequer 2½pc 1987 | 82⅝ | −⅛ | 3.04 | 7.87 |
| 100⅞ | 95⅞ | Exch. 10½pc 1987 | 98⅞ | −⅛ | 10.62 | 10.84 |
| 99 | 95⅞ | Exch. 10¼pc 1987A | 98⅝ | −⅛ | 10.65 | 10.92 |
| 93¾ | 89⅝ | Funding 6½pc '85-87‡‡ | 89½xd | | 7.26 | 9.70 |
| 85¼ | 81⅛ | Treasury 3pc 1987 | 81½ | −⅛ | 3.68 | 8.25 |

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked & Variable Rate

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%.

## INT. BANK AND O'SEAS GOVT. STERLING ISSUES

## CORPORATION LOANS

## COMMONWEALTH AND AFRICAN LOANS

## LOANS

Public Board and Ind.

## LOANS—Continued

Financial

Building Societies

## FOREIGN BONDS & RAILS

## AMERICANS

## CANADIANS

## BANKS, H.P. & LEASING

## BANKS—Continued

Hire Purchase, Leasing, etc.

## BEERS, WINES AND SPIRITS

## BUILDING INDUSTRY, TIMBER AND ROADS

## CHEMICALS, PLASTICS

## CHEMICALS, PLASTICS—Cont.

## DRAPERY AND STORES

## ELECTRICALS

## ELECTRICALS—Continued

## ENGINEERING MACHINE TOOLS

## FOOD, GROCERIES, ETC.

## FOOD, GROCERIES—Cont.

## HOTELS AND CATERERS

## INDUSTRIALS (Miscel.)

## INDUSTRIALS—Continued

[illegible]

## INSURANCES

[illegible]

## LEISURE

[illegible]

## LEISURE—Continued

[illegible]

## MOTORS, AIRCRAFT TRADES

### Motors and Cycles

[illegible]

### Commercial Vehicles

[illegible]

### Components

[illegible]

### Garages and Distributors

[illegible]

## NEWSPAPERS, PUBLISHERS

[illegible]

## PAPER, PRINTING ADVERTISING

[illegible]

## PROPERTY

[illegible]

## PROPERTY—Continued

[illegible]

## SHIPPING

[illegible]

## SHOES AND LEATHER

[illegible]

## SOUTH AFRICANS

[illegible]

## TEXTILES

[illegible]

## TOBACCOS

[illegible]

## TRUSTS, FINANCE, LAND

### Investment Trusts

[illegible]

## INVESTMENT TRUSTS—Cont.

[illegible]

### Finance, Land, etc.

[illegible]

## OIL AND GAS

[illegible]

## OIL AND GAS—Continued

[illegible]

## OVERSEAS TRADERS

[illegible]

## PLANTATIONS

### Rubbers, Palm Oil

[illegible]

### Teas

[illegible]

## MINES

### Central Rand

[illegible]

### Eastern Rand

[illegible]

### Far West Rand

[illegible]

### O.F.S.

[illegible]

### Finance

[illegible]

### Diamond and Platinum

[illegible]



## MINES—Continued

### Central African

| 1983 High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 300 | 210 | Falcon Rh.50c | 250 | ...... | Q25c | 10.3 | 6.4 |
| 21 | 16 | Wankie Col. Z$1 | 20 | ...... | Q5c | ♦ | 17.9 |
| 28 | 15 | Zam.Cpr.SBD0.24 | 21 | +1 | — | — | — |

### Australians

| 1983 High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 28½ | 13½ | ♥ACM 20c | 18½ | ...... | — | — | — |
| 14 | 6 | ♥Argosy Gold NL 25c | 8 | ...... | — | — | — |
| 25 | 11 | Balmoral Resources | 18 | −1 | — | — | — |
| 60 | 42 | ♥Black Hill Mins. | 48 | −1 | — | — | — |
| 74 | 52 | ♥Bond Corp | 57½ | ...... | Q010c | 2.3 | 10.7 |
| 154 | 116 | ♥Bougainville 1 Kina | 144 | −2 | Q1.42c | 1.2 | 1.4 |
| 291 | 214 | ♥CRA 50c | 283 | −4 | Q3c | — | 0.6 |
| 145 | 60 | ♥Carr Boyd 20c | 96 | +2 | — | — | — |
| 35 | 18 | ♥Central Pacific | 20 | +1 | — | — | — |
| 320 | 210 | ♥Crusader Oil | 275 | +20 | — | — | — |
| 15 | 0 | ♥Cultus Pac NL | 9 | −½ | — | — | — |
| 14 | 7 | ♥Eagle Corp 10c | 14 | ...... | — | — | — |
| 14 | 8 | ♥Endeavour 20c | 9½ | +½ | — | — | — |
| 810 | 500 | ♥GM Kalgoorlie 25c | 543 | ...... | hQ10c | ♦ | 1.1 |
| *248 | 170 | Hampton Areas 10p | 172 | ...... | t3.75 | 2.8 | 3.1 |
| 32 | 15½ | ♥Haoma NW | 18 | −½ | — | — | — |
| 92 | 30 | ♥Hill Minerals N.L. | 59 | +2 | — | — | — |
| 21 | 15 | ♥Intnl Mining | 14 | +1 | — | — | — |
| 42 | 25 | ♥Kaibara Min 20c | 36½ | ...... | | | |

[illegible]

### Tins

[illegible]

### Miscellaneous

[illegible]

## NOTES

[illegible] ... previous total. ¶ Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.
Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

## REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

| | | |
|---|---|---|
| Albany Inv. 20p | 54 | ...... |
| Bdg'wtr. Est. 50p | 520 | ...... |
| Craig & Rose £1 | £12 | ...... |
| Finlay Pkg. 5p | 34 | ...... |
| Graig Ship. £1 | £18 | ...... |
| Higsons Brew | 103 | ...... |
| Holt (Jos) 25p | 910 | ...... |
| I.O.M. Stm. £1 | 97 | ...... |
| Pearce (C. H.) | £13½ | ...... |
| Peel Hldgs. | 187 | ...... |

IRISH

| | | |
|---|---|---|
| Exch. 15pc 1983 | £99⅞ | ...... |
| Nat. 9¾% 84/89 | £87½ | +½ |
| Fin. 13% 97/02 | £95 | +¼ |
| Alliance Gas | 103 | ...... |
| Arnott | 185 | ...... |
| Carroll (P.J.) | 106 | +2 |
| Concrete Prods. | 54 | ...... |
| Heiton (Hldgs.) | 12 | ...... |
| Irish Ropes | 31 | ...... |
| Jacob | 70 | ...... |
| T.M.G. | 90 | ...... |
| [illegible] | [illegible] | [illegible] |

## OPTIONS

### 3-month Call Rates

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 35

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

# CURRENCIES, MONEY and CAPITAL MARKETS

## FOREIGN EXCHANGES

# Sterling hit by stronger dollar

Sterling's trade-weighted iodex of 82.8 was the highest since late January, but although the pound continoed to improve against Continental currencies it lost early gains agaiost the dollar.

The pound was very strong against the dollar around mid-day, but suffered more than most on the opening of the International Monetary Market in Chicago. U.S. traders appeared keen buyers of the dollar on short-term technical considerations because of weekly make-up day for the banks, and also in anticipation of upward presssure on interest rates, although Euro-dollar rates were little changed yesterday.

STERLING—Trading range against the dollar in 1983 is 1.6245 to 1.4540. March average 1.4902. Trade-weighted index 82.8 against 82.8 at noon, 82.5 at the opening, 82.0 at the previous close, and 92.8 six months ago. Sterling has climbed steadily on hopes of a period of oil price stability following the acceptance of price proposals by BNOC's major customers.

Sterling opened at the previous closing level of $1.5410-1.5420, but advanced steadily to a peak of $1.5485-1.5495, before turning round in the afternoon as the dollar gained strength. The pound fell to a low of $1.5335-1.5345, and closed at $1.5360-1.5370, a fall of ¼ cent on the day. On the other hand sterling improved to DM 3.75 from DM 3.7375 against the D-mark; to FFr 11.2225 from FFr 11.1950 against the French franc; and to SwFr 3.1575 from SwFr 3.1475 in terms of the Swiss franc. It was unchanged at Y366.50 against the yen.

DOLLAR — Trade-weighted index (Bank of England) 122.4 against 123.5 six months ago. The dollar has been firm during a period of uncertainty about oil prices and the recent upheavals in the EMS. U.S. interest rates have not fallen as once expected.

The dollar rose to DM 2.4380 from DM 2.4235; to FFr 7.3075 from FFr 7.2640; to SwFr 2.0530 from SwFr2.04; and to Y238.30 from Y237.65.

D-MARK — Trading range against the dollar in 1983 is 2.4950 to 2.3320. March average 2.4102. Trade-weighted index 130.4 against 126.7 six months ago. German economic strength and low inflation compared with many of its neighbours have once again caused strains within the EMS. The latest realignment gives to D-Mark room for appreciation as it is currently placed close to the bottom of the system.

Central banks in Frankfurt and Paris intervened to support the D-mark as the German currency was fixed at its minimum allowed level within the EMS against the French franc yesterday. The D-mark was also at its floor against the Irish punt and Danish krone. Trading was fairly quiet however, as the dollar moved up slightly to DM 2.4255 from DM 2.4217 at the Frankfurt fixing without any intervention by the Bundesbank. Sterling rose to DM 3.7530 from DM 3.7130, but the Swiss franc eased to DM 1.1850 from DM 1.1853.

BELGIAN FRANC — Trading range against the dollar in 1983 is 48.67 to 45.90. March average 47.46. Trade-weighted index 94.4 against 94.4 six months ago. Emergency foreign exchange controls and heavy central bank support underlined the Belgian Government's determination not to see the franc devalued. In this they succeeded with the EMS realignment including a franc revaluation.

The Belgian franc had a weaker tone following the cut in the Belgian National Bank discount rate, but remained steady in the EMS. The D-mark rose to BFr 19.9245 from BFr 19.91475, and the French franc to BFr 6.64625 from BFr 6.64075. Outside the EMS the dollar improved to BFr 48.38 from BFr 48.22, and sterling to BFr 74.6450 from BFr 73.93. The recent steady performance of the currency allowed the central bank to continue buying foreign currencies last week. A further BFr 12.1bn were purchased, compared with BFr 5.4bn the previous week.

### EMS EUROPEAN CURRENCY UNIT RATES

| | ECU central rates | Currency amounts against ECU April 13 | % change from central rate | % change adjusted for divergence | Divergence limit % |
|---|---|---|---|---|---|
| Belgian Franc ... | 44.3662 | 44.9471 | +1.31 | +0.48 | ±1.5430 |
| Danish Krone ... | 8.04412 | 8.01192 | −0.40 | −1.23 | ±1.6418 |
| German D-Mark | 2.21515 | 2.25572 | +1.83 | +1.00 | ±1.0667 |
| French Franc ... | 6.79271 | 6.76437 | −0.42 | −1.25 | ±1.4016 |
| Dutch Guilder ... | 2.49587 | 2.54204 | +1.85 | +1.02 | ±1.4941 |
| Irish Punt ...... | 0.71706 | 0.714267 | −0.39 | −1.22 | ±1.6896 |
| Italian Lira ...... | 1386.78 | 1343.76 | −3.10 | −3.10 | ±4.1463 |

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

### EXCHANGE CROSS RATES

| Apr. 13 | Pound St'rling | U.S. Dollar | Deutschem'k | JapaneseYen | FrenchFranc | Swiss Franc | Dutch Guild | Italian Lira | Canada Dollar | Belgian Franc |
|---|---|---|---|---|---|---|---|---|---|---|
| Pound Sterling | 1. | 1.537 | 3.750 | 366.5 | 11.225 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| U.S. Dollar | 0.651 | 1. | 2.441 | 238.5 | 7.304 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Deutschemark | 0.267 | 0.410 | 1. | 97.73 | 2.993 | 0.842 | 1.126 | 594.3 | 0.506 | 19.88 |
| Japanese Yen 1,000 | 2.729 | 4.193 | 10.23 | 1000. | 30.62 | 8.615 | 11.52 | 6080. | 0.172 | 203.4 |
| French Franc 10 | 0.891 | 1.368 | 3.342 | 326.6 | 10. | 2.814 | 3.763 | 1986. | 1.669 | 66.45 |
| Swiss Franc | 0.317 | 0.487 | 1.188 | 116.1 | 3.554 | 1. | 1.357 | 706.8 | 0.600 | 25.61 |
| Dutch Guilder | 0.837 | 0.364 | 0.888 | 86.80 | 2.658 | 0.748 | 1. | 527.8 | 0.449 | 17.66 |
| Italian Lira 1,000 | 0.446 | 0.689 | 1.683 | 164.5 | 5.036 | 1.417 | 1.895 | 1000. | 0.851 | 33.45 |
| Canadian Dollar | 0.528 | 0.811 | 1.978 | 193.4 | 5.861 | 1.658 | 5.228 | 1176. | 1. | 38.33 |
| Belgian Franc 100 | 1.341 | 2.061 | 5.030 | 481.5 | 15.05 | 4.266 | 0.664 | 2988. | 8.545 | 100. |

## MONEY MARKETS

# Bank cuts dealing rates

**UK clearing bank base lending rate 10½ per cent (since March 15 and 16)**

Short-term interest rates continued to decline in London yesterday on expectations of an imminent cut in clearing bank base lending rates. The bullish undertone was reinforced when the authorities reduced money market intervention rates by up to ¼ per cent in response to further pressure from the discount houses. But market sources suggested that another reduction in official dealing rates may be required before the clearing banks can move comfortably on base rates.

The Bank of England forecast a money market shortage of £300m, which was later revised to £350m. Bills maturing in official hands and take-up of Treasury bills from last week's tender drained £203m, while the unwinding of repurchase agreements absorbed another £217m, and a rise in the note circulation £50m. These were partly offset by Exchequer transactions of £120m.

In the morning the authorities bought £131m bank bills outright, by way of £118m bills in band 1 (up to 14 days maturity) at 10⅝-10½ per cent; £10m bills in band 2 (15-33 days) at 10½ per cent; £2m bills in band 3 (34-63 days) at 10½ per cent; and £1m bills in band 4 (64-84 days) at 10½ per cent.

After lunch the Bank of England purchased another £36m bank bills outright, through £30m in band 2 at 10½ per cent; and £6m in band 3 at 10½ per cent.

A further £147m bills were bought for resale on April 28 at 10½-10⅝ per cent, bringing total help to £314m.

In Brussels the Belgian National Bank cut its discount rate by 1 per cent to 10 per cent. The rate on ordinary advances was also reduced by 1 per cent to 11 per cent, and one, two, and three-month Treasury certificates by ¼ per cent to 10¾ per cent.

In Frankfurt the Bundesbank prevented excess liquidity entering the domestic money market by extending five-day currency repurchase agreements conducted last week. Seven-day agreements fall due on Friday, and may also be renewed, although conditions are likely to be tighter at the end of the week because of mid-month tax payments. Without the intervention by the authorities the market would be very liquid as a result of DM 11bn in Bundesbank profits paid to the Federal Government last week. Call money fell to 4.70 per cent in early trading, but then rose to 4.80 per cent, compared with 4.85 on Tuesday, on the action by the central bank.

### LONDON MONEY RATES

| Apr. 16 1983 | Sterling Certificate of deposit | Interbank | Local Authority deposits |
|---|---|---|---|
| Overnight........ | — | 10.20 | — |
| 5 days notice . | — | — | 10⅜ |
| 7 days or ........ | — | — | — |
| 7 days notice .. | — | 10⅝-10⅞ | 10⅝ |
| One month...... | 10⅞-10⅞ | 10⅞-10¼ | 10⅜ |
| Two months ... | 10⅞-19⅞ | 10⅛-10⅞ | 10¼ |
| Three months . | 10⅞ 10⅛ | 10⅞-10⅞ | 19¼ |
| Six months...... | 10.8⅞ | 9⅞-10⅞ | 10⅛ |
| Nine months ... | 19.9⅞ | 5⅞-19⅛ | 10 |
| One year.......... | 10.9⅞ | 10⅞-10⅞ | 10 |
| Two years........ | — | — | 10¼ |

ECGO Rate Export Finance Scheme IV Average Rate for interest period March 2 to April 5 1983 (inclusive) 10.974 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10⅝ per cent; four years 10⅞ per cent; five years 11¼ per cent. Bank bill rates in table are buying rates for prime paper. Buying rate for four months bank bills 9⅞-9⅞ per cent; four months trade bills 10⅞ per cent.

Approximate selling rate for one month Treasury bills 10⅞ per cent; two months 9⅞ per cent; and three months 9⅞ per cent. Approximate selling rate for one month bank bills 10⅞ per cent; two months 9¾ per cent; trade bills 10⅝ per cent; two months 10⅞ per cent and three months 10⅝ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11½ per cent from April 1 1983. London and Scottish Clearing Bank Rates for lending 10½ per cent. London Deposit Rates for sums at seven days' notice 7½ per cent.

Treasury Bills: Average tender rates of discount 9.8194 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 10½ per cent; one-three months 10¼ per cent; three-six months 10¼ per cent; six-12 months 10⅜ per cent. Under £100,000 10 per cent from April 6. Deposits held under Series 5 10¼ per cent. The rates for all deposits withdrawn for cash 5 per cent.

## INTEREST RATES

### EURO-CURRENCY INTEREST RATES (Market closing rates)

### FT LONDON INTERBANK FIXING (11.00 a.m. APRIL 13)

| 6 month U.S. dollars | | 6 months U.S. dollars | |
|---|---|---|---|
| bid 9 5/16 | offer 9 5/16 | bid 9 5/8 | offer 9 7/16 |

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

### MONEY RATES

## FINANCIAL FUTURES

# Gilts nervous

Gilt trading remained active on the London International Financial Futures Exchange yesterday, with the June price declining again after showing a slightly firmer trend at the opening. The market opened at 160-17, and rose to a peak of 106-21 on hopes of an early cut in clearing bank base rates following yesterday's reduction in Bank of England money market intervention rates. In the morning the June price fell to the day's low of 105-30 reflecting doubts about the timing of a base rate cut and nervousness over the tap stock tender. After a gradual recovery prices were pushed down again after publication of the Central Government Borrowing requirement of £2.75bn for March.

This figure was considerably in excess of market expectations, and the June price fell back to around 106, before closing at 106-06, compared with 106-14 on Tuesday. June traded 2,809 lots, and total activity for all periods was 2,631, compared with 2,034 on Tuesday, and 1,639 on Monday.

The three-month sterling interest rate contract was less active however, with prices moving within a narrow range. June opened at 90.47, and closed at the same level after touching a peak of 90.52 and a low of 90.44. The previous close was 90.45.

Eurodollar futures also showed little movement, finishing in line with a steadier trend in Chicago. Tuesday's testimony to Congress by Mr Paul Volcker, chairman of the Federal Reserve Board, regarding the need for lower interest rates, coupled with Tuesday's fall in the Federal funds overnight rate, helped to underpin the contract.

### LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 90.86 | 90.88 | 90.82 | 90.86 |
| Sept | 90.58 | 90.60 | 90.56 | 90.62 |
| Dec | 90.32 | 90.38 | 90.32 | 90.40 |
| March | 90.18 | — | — | 90.27 |
| June | 89.90 | 89.90 | 89.90 | — |

Volume 1,023 (1,643)
Previous day's open int 4,127 (4,009)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

JAPANESE YEN Y12.5m $ per Y100

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 0.4216 | 0.4228 | 0.4216 | 0.4227 |
| Sept | 0.4250 | 0.4260 | 0.4247 | 0.4263 |
| Dec | — | — | — | — |

Volume 46 (99)
Previous day's open int 281 (430)

### CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| June | 77-22 | 77-25 | 77-18 | 77-20 |
| Sept | 77-03 | 77-06 | 77-06 | 77-02 |
| Dec | 76-20 | 76-21 | 76-16 | 76-16 |
| March | 76-06 | 76-08 | 76-05 | 76-04 |
| June | 75-25 | 75-27 | 75-25 | 75-24 |
| Sept | 75-15 | 75-17 | 75-15 | 75-18 |
| Dec | 75-06 | 75-07 | 75-06 | 75-06 |
| March | 74-29 | 74-29 | 74-29 | 74-28 |
| June | — | — | — | — |
| Sept | — | — | — | — |

Dec JuneDec 904 - Va45 - 7 8

## COMPANY NOTICES

US Dollars 7,500,000 Bearer Depositary Receipts Representing Undivided Interests in a Floating Rate Deposit Due 1983-85 with

**SOCIEDAD FINANCIERA DE CREDITO SOFICREDITO CA**

In accordance with Clause 9(A) of the Paying Agency Agreement dated as of 3rd November 1980, Swiss Bank Corporation, London, as Principal Paying Agent, hereby delivers the following notice on behalf of the depositary, Morgan Guaranty Trust Company of New York, New York Office and at the request of Soficredito CA.

Soficredito CA delivered a written notice dated 21st March 1983 to Morgan Guaranty Trust Company of New York, Caracas representative office on 22nd March 1983, under the First Schedule, Term and Condition of the Deposit Agreement and Trust Deed dated 3rd November 1980 between Morgan Guaranty Trust Company of New York and Soficredito CA. This notice stated that Soficredito CA will repay a sum of US Dollars 1,250,000.00 as an optional repayment of the deposit, and such amount so repaid will be applied together with the mandatory repayment due on 5th May 1983 of US Dollars 1,250,000.00, being the first such amount of the Bearer Depositary Receipts due semi annually between May 1983 and November 1985.

Therefore, on 5th May 1983, all Bearer Depositary Receipt holders ("BDR holders") will be required to surrender principal Coupon No 1 payable in May 1983, to collect the first mandatory instalment due together with the surrender of principal Coupon No 5 payable in May 1985, to collect the optional repayment instalment to be paid by Soficredito CA. Also, Interest Coupon No 5 should be surrendered to collect interest due on 5th May 1983.

**SWISS BANK CORPORATION**
Agent Bank

**NOTICE OF RATE OF INTEREST**

**CREDIT FONCIER DE FRANCE**

**U.S.$75,000,000**

**Guaranteed Floating Rate Notes due 1988**

In accordance with the provisions of the Interest Determination Agency Agreement between Crédit Foncier de France and National Bank of Abu Dhabi, Paris Branch, dated as of 18th September, 1981, notice is hereby given that the Rate of Interest has been fixed at 9 11/16 per cent. per annum, and that the Coupon Amount payable on 14 October, 1983, against Coupon No. 4 will be U.S.$246.22 and that such amount has been computed on the actual number of days elapsed (183) divided by 360.

By: National Bank of Abu Dhabi, Paris Branch
Reference Agent

12 April, 1983

**UNITED TECHNOLOGIES FINANCE (NETHERLANDS ANTILLES) N.V.**

**ENEL FLR**

**US$400,000,000 1980-87**

For the six months, April 5, 1983 to October 4, 1983 the Notes will carry an interest rate of ...

**Banco Central de Reserva de El Salvador**

## PUBLIC NOTICES

## Authorised Units—continued

## Insurances—continued

## Offshore and Overseas—continued

Tyndall-Guardian Management Ltd
PO Box 1256, Hamilton, Bermuda

| | | | | |
|---|---|---|---|---|
| T-G Am | $21.98 | — | .... | — |
| T-G Money | $20.73 | — | .... | — |
| T-G $'bond | $15.65 | — | .... | — |
| T-G Com | $21.29 | — | .... | — |
| T-G Mort | $18.96 | — | .... | — |
| T-G O'seas | $10.86 | — | .... | — |
| T-G Pacific | Y1,720 | — | .... | — |
| T-G Wall St | $22.98 | — | .... | — |



**Financiering Maatschappij d'Oranjeboom BV**

**£30,000,000**

12¼ per cent Bonds 1992
Guaranteed by ALLIED-LYONS PLC
Issue Price 100 per cent

Paid as to £250 per Bond and payable as to £750 per bond on 28th April, 1983

**THE PHILIPPINE INVESTMENT COMPANY S.A.**

**REED INTERNATIONAL LIMITED**